91-2068

Supreme Court, U.S.
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No.

IN THE
SUPREME COURT OF THE UNITED STATES

October Term, 1992

THE LAITRAM CORPORATION and
INTRALOX, INC.,
Petitioners

v.

THE CAMBRIDGE WIRE CLOTH COMPANY,
Respondent

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

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QUESTIONS PRESENTED

1. Where a first panel of the Court of Appeals sanctioned the parties and vacated an initial grant of summary judgment of patent noninfringement because the parties secured the judgment on hypothetical facts about products not accused of infringement, did the second different panel subsequently err in its application of Fed. R. Civ. P. 56(c) by affirming the District Court which reinstated its original decision verbatim and sua sponte: (1) without giving the losing party notice or an opportunity to present any evidence on the merits of infringement of the accused product; and (2) again basing its decision of noninfringement solely upon hypothetical facts?

2. Whether the Court of Appeals erred in its application of Fed. R. Civ. P. 52(a) by engaging in factfinding on the main fact upon which affirmance is based: "[n]ecessarily the [district court's] comparison of the CRB-3000 [hypothetical facts concocted for a summary judgment motion] to the [patent] claims at issue encompass PX-1 [the accused product]", where this finding could not have been made by the District Court since: (1) the accused product (PX-1) was not in evidence when the District Court entered summary judgment in the first instance; and (2) the District Court expressly refused petitioner's request to admit any evidence relating to infringement of the accused product (PX-1) when it sua sponte reinstated summary judgment?

3. Whether the panel's finding that the comparison of hypothetical facts to the patent claims also encompassed the accused product (PX-1), a finding nowhere in the record, is contrary to the Federal Circuit's precedent requiring that an accused product be compared to the claims, not to a prior adjudicated product for an infringement determination as set forth in Envirotech Corp. v. Al George, Inc., 730 F.2d 753, 758 (Fed. Cir. 1984) and Amstar Corp. v. Envirotech Corp., 823 F.2d 1538, 1545 (Fed. Cir. 1987)?

4. Whether the Court of Appeals denied petitioner its right to due process in connection with the two appeals of the same District Court verbatim opinion by: (1) sanctioning petitioner for addressing the merits of noninfringement of hypothetical facts in the prior Court's decision of November 21, 1990, Laitram Corporation v. Cambridge Wire Cloth Company, 919 F.2d 1579 (Fed. Cir. 1990); and (2) subsequently ruling against petitioner for its failure to argue the merits of noninfringement of hypothetical facts, which petitioner purposely avoided because it was under the threat of sanctions under the law of the case?

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THE LAITRAM CORPORATION and INTRALOX, INC.,

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v.

THE CAMBRIDGE WIRE CLOTH COMPANY,

Respondent

PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT

The petitioners, The Laitram Corporation and Intralox, Inc. (collectively referred to as "Laitram"), respectfully pray that a writ of certiorari issue to review the judgment of the United

States Court of Appeals for the Federal Circuit, entered in the above-captioned proceeding on February 6, 1992.[1]

OPINIONS BELOW

The decision of the Court of Appeals is reported at 956 F.2d 1172, and the opinion is reprinted in the appendix ("Pet. App.") hereto, page 1a. The Court of Appeals denied a timely petition for panel hearing on March 25, 1992. The Court of Appeals declined Laitram's suggestion for rehearing *in banc* on April 6, 1992.

The District Court originally granted summary judgment of noninfringement (Pet. App. 25a). The Court of Appeals vacated the original grant of summary judgment in an opinion reported at 919 F.2d 1579 (Pet. App. 6a). After remand, the District Court reinstated its original grant of summary judgment *verbatim* (Pet. App. 19a-23a).

JURISDICTION

The jurisdiction of the District Court was invoked under 28 U.S.C. § 1338(a). The jurisdiction of the Court of Appeals was invoked pursuant to 28 U.S.C. § 1295(a).

The decision of the Court of Appeals was entered on February 6, 1992 (Pet. App. 1a). A timely petition for rehearing was denied on March 25, 1992. The jurisdiction of this Court is invoked under 28 U.S.C. § 1254(l).

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[1]Pursuant to Rule 29.1 of the Rules of this Court, petitioners state that they have no publicly owned parents, subsidiaries, or affiliates.

FEDERAL RULES OF CIVIL PROCEDURE INVOLVED

Federal Rule of Civil Procedure 52(a) provides:

(a) **Effect**. In all actions tried upon the facts without a jury or with an advisory jury, the court shall find the facts specially and state separately its conclusions of law thereon, and judgment shall be entered pursuant to Rule 58; and in granting or refusing interlocutory injunctions the court shall similarly set forth the findings of fact and conclusions of law which constitute the grounds of its action. Requests for findings are not necessary for purposes of review. Findings of fact, whether based on oral or documentary evidence, shall not be set aside unless clearly erroneous, and due regard shall be given to the opportunity of the trial court to judge of the credibility of the witnesses. The findings of a master, to the extent that the court adopts them, shall be considered as the findings of the court. It will be sufficient if the findings of fact and conclusions of law are stated orally and recorded in open court following the close of the evidence or appear in an opinion or memorandum of decision filed by the court. Findings of fact and conclusions of law are unnecessary on decisions of motions under Rule 12 or 56 or any other motion except as provided in subdivision (c) of this rule. (Emphasis added).

Federal Rule of Civil Procedure 56(c) provides:

> (c) **Motion and Proceedings Thereon.** The motion shall be served at least 10 days before the time fixed for the hearing. The adverse party prior to the day of hearing may serve opposing affidavits. The judgment sought shall be rendered forthwith if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to a judgment as a matter of law. A summary judgment, interlocutory in character, may be rendered on the issue of liability alone although there is a genuine issue as to the amount of damages. (Emphasis added).

STATEMENT OF THE CASE

This is an action for infringement of U.S. Patent Nos. 3,870,141 ("the '141 patent") and 4,051,949 ("the '949 patent"). These two patents have been declared to cover pioneer inventions in the field of modular plastic conveyor belts.[2]

The District Court in this action originally granted summary judgment of noninfringement in favor of defendant Cambridge Wire Cloth Company ("CWC") (Pet. App. 25a). The Federal Circuit vacated the original judgment in a decision of the Panel of Circuit Judge Markey, Senior Circuit Judge Miller, and

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[2] *Rexnord, Inc. v. Laitram Corp.*, 6 U.S.P.Q.2d 1817, 1845 (E.D. Wisc. 1988) ("the '141 invention revolutionized the industry and warrants pioneer status"; "the '949 patent revolutionized the conveying industry and warrants pioneer status").

District Judge Browning[3] (Pet. App. 6a). The original judgment was based upon a finding of noninfringement of nonaccused hypothetical products described as an undefined "CRB-3000" product depicted in "exhibits concocted solely for the purpose of the motion"[4] (Pet App. 9a-10a). The actual accused product was depicted in an exhibit labeled "PX-1." The District Court in the first proceeding excluded PX-1 from evidence under the following scenario:

> After entry of judgment, Laitram moved to place PX-1 and two deposition pages in the record for appeal. CWC moved to include every page referring to PX-1. The district court granted Laitram's motion, then *sua sponte* reversed itself and properly excluded PX-1 and all other exhibits that were not before it when it entered summary judgment.

(Pet. App. 9a) (emphasis in original).

Of course, the Federal Circuit vacated the original grant of summary judgment based upon hypothetical facts for the following reason:

> In its motion, CWC was effectively and improperly saying to the district court, "if we make and sell any of these four 'possible constructions' please advise that we won't

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[3]Honorable William D. Browning, District Judge of the United States District Court of Arizona, was sitting by designation.

[4]"At no time was there a specific 'CRB-3000' product of agreed construction before the district court" (Pet. App. 9a).

> infringe" (footnote omitted). Federal Courts do not sit, however, to decide hypotheticals or to issue advisory opinions. A true case or controversy is required. U.S. Const. art. III, § 2.

(Pet. App. 10a-11a) (emphasis in original). The Federal Circuit also remanded the case for consideration of whether the complaint should be dismissed for lack of jurisdiction (Pet. App. 7a-8a). *See Lang v. Pacific Marine and Supply Co., Ltd.*, 895 F.2d 761, 765 (Fed. Cir. 1990) (the existence of a product subject to the charge of infringement is required for a case or controversy).

In the first appeal, the Federal Circuit further sanctioned all signatories to the appeal briefs for both parties for a variety of reasons (Pet. App. 16a-18a). Among others, these reasons included that the parties had argued about the merits of "a product that was admittedly not before the district court and is not before [the Federal Circuit]" (Pet. App. 17a). This was the accused product depicted in the exhibit PX-1, a plastic conveyor belt. Another reason for sanctioning counsel was their "arguments directed to products never charged as infringements" (Pet. App. 17a). These were the hypothetical products depicted in exhibits DX-A through DX-D "concocted" by CWC as the only evidentiary basis for summary judgment (Pet. App. 10a-11a).

On remand, the District Court held an abbreviated hearing with two witnesses who testified about the date of manufacture, use, or sale of an accused product. The District Court expressly refused to consider any testimony or evidence regarding the merits of infringement of an accused product depicted in PX-1 or whether exhibits DX-A through D were representative of PX-1 (Pet. App. 36a-44a):

> I am not taking evidence on the merits of the case today at all; not at all. That is not open.

(Pet. App. 40a).

At the end of the brief hearing, the District Court decided *sua sponte*, without forewarning the parties or giving Laitram its requested opportunity to present evidence on the merits of infringement of the accused product, to reenter summary judgment for the verbatim reasons set forth in its earlier opinion (which the Federal Circuit previously vacated):

> I am just going to enter an order that says that the court has jurisdiction--I find that the court has subject matter jurisdiction, and then immediately enter summary judgment on the basis of the memorandum opinion that was earlier filed. And then you go back to Washington.

(Pet. App. 37a) (emphasis added).

The District Court also issued a brief memorandum opinion holding that it had subject matter jurisdiction (Pet. App. 21a). The District Court held that PX-1 "was an exemplar of what could be constructed out of the design that is charged as the infringing design," although the District Court prohibited any evidence on the truth or falsity of this holding (Pet. App. 35a).

A second, different Federal Circuit panel of Circuit Judges Newman, Mayer, and Clevenger affirmed the District Court's reinstated grant of summary judgment of noninfringement (Pet. App. 1a). The panel made the following underscored finding of fact, a finding nowhere in the record:

> Necessarily, the comparisons of the CRB-3000 to the claims at issue encompass PX-1, as PX-1 is an "exemplar," *i.e.*, a typical example, of the accused design.

(Pet. App. 4a) (emphasis added). The panel further added that "Laitram provides this court with no basis to further review the merits of summary judgment" (Pet. App. 4a).

REASONS FOR GRANTING THE WRIT

I. Certiorari Is Necessary to Correct the Federal Court's Misapplication of Rule 56(c) Involving Hypothetical Facts

Under Rule 56(c) of the Federal Rules of Civil Procedure, summary judgment is proper "if the pleadings, depositions, answers to interrogatories, and admissions on file, together with the affidavits, if any, show that there is no genuine issue as to any material fact and that the moving party is entitled to judgment as a matter of law." Rule 56(c) further requires that "[t]he motion shall be served at least 10 days before the time fixed for the hearing" and "[t]he adverse party prior to the day of hearing may serve opposing affidavits."

The plain language of Rule 56(c) mandates that before summary judgment may be entered, the adverse party must be given notice and an opportunity to present evidence on the issue. The District Court deprived Laitram of these procedural safeguards.

Although "district courts are widely acknowledged to possess the power to enter summary judgments *sua sponte*," they may do so only "so long as the losing party was on notice that she

had to come forward with all of her evidence." *Celotex Corp. v. Catrett*, 477 U.S. 317, 326 (1986). Here, the District Court erred by both failing to give notice and expressly refusing Laitram the opportunity to present evidence relative to infringement of the accused product (PX-1).

The District Court admitted Laitram was in "a procedural pickle" (Pet. App. 43a). When Laitram attempted to offer evidence as to the merits of infringement of the accused product, the District Court sternly denied Laitram its procedural right:

> THE COURT: Right, and it says: If the District Court so finds, the suit may continue. But it is not continued. It is over. It only continues to the extent that it has any life at all, which is for the Federal Circuit to decide the merits of the summary judgment; and, that is where we go from here.
>
> All right, thank you, Counsel. I will enter an order accordingly, and it will go right back up to the Federal Circuit if you want to appeal.
>
> MR. HAYES: Your Honor, if the court is going to enter -- do as you just said, what I would like to mark, so that --
>
> THE COURT: No, it's not relevant to summary judgment. I am not going to mark anything.
>
> The only question that is here is whether there was jurisdiction as of March 15, '89. I have answered that, yes, and summary judgment has

> already been entered on the merits of the case and it goes back up to Washington.
>
> And I am not taking evidence on the merits of the case today at all; not at all. That is not open.
>
> All right. I will enter an order accordingly. The order will be an order and judgment. The order will find that there was subject matter jurisdiction when the complaint was filed and it will EO INSTANTE enter summary judgment for the defendant on the basis of the court's earlier opinion, and that is the end of it.

(Pet. App. 39a-40a).

The Federal Circuit compounded the error by holding:

> Laitram fails to identify any evidence or lack thereof establishing a genuine issue as to any material fact. In fact, Laitram does not offer a single citation to the district court's original record. Instead, it merely cites to its brief from the previous appeal. These references are improper and we do not consider them.

(Pet. App. 4a-5a). Laitram never had an opportunity to present its evidence as to the merits of infringement of the accused device. In the original proceeding granting summary judgment on hypothetical facts, the District Court excluded Laitram's evidence relating to the infringement of the accused product depicted in PX-1 (Pet. App. 9a). Thus, Laitram could not cite to the District Court's original record for evidence establishing infringement of

the accused product and, at the least, the existence of a genuine issue of material fact. It is well settled that the determination of infringement is a question of fact and that the ultimate factual finding is grounded on underlying factual findings. *Graver Tank & Mfg. Co. v. Linde Air Products Co.*, 339 U.S. 605, 609-10 (1950); *SRI Int'l v. Matsushita Elec. Corp. of Am.*, 775 F.2d 1107, 1125 (Fed. Cir. 1985) (*in banc*).

The same thing happened upon remand to the District Court after the first panel of the Federal Circuit vacated the summary judgment of noninfringement because it was based upon hypothetical facts regarding products not accused of infringement. Then, the District Court refused Laitram's request to present evidence as to the merits of infringement of the accused product (PX-1) (Pet. App. 37a-44a). Instead, the District Court reinstated its earlier decision verbatim without opening the record for additional evidence. Laitram was denied again the opportunity to establish a record for appeal on the merits of infringement.

The original grant of summary judgment clearly was based upon the District Court's improper analysis of hypothetical facts (Pet. App. 8a-11a). The reinstatement of summary judgment based upon the same reasons verbatim cannot magically transform a defective judgment into a correct judgment as a matter of law under Rule 56(c). The opinion of the court remains decided solely upon hypothetical facts. This constitutes legal error. *Wheeler v. Barrera*, 417 U.S. 402, 426-27 (1974) ("A federal court does not sit to render a decision on hypothetical facts"); *Lewis v. Continental Bank Corporation*, ____ U.S. ____, 110 S.Ct. 1249, 1253 (1990) ("Article III denies federal courts the power to decide questions . . . advising what the law would be upon a hypothetical state of facts.").

II. The Court of Appeals Misapplied Rule 52(a) When It Engaged in Factfinding

The present decision is premised upon improper factfinding by the panel on the main fact upon which affirmance is based:

> Necessarily, the [District Court's] comparisons of the CRB-3000 to the claims at issue encompass PX-1, as PX-1 is an "exemplar," *i.e.*, a typical example, of the accused product.

(Pet. App. 4a) (emphasis added).

The above-underscored statement is erroneous, is not a finding of the District Court, and further is supported nowhere in the record below. The District Court could not have made the finding relied upon by the panel. The only accused product (PX-1) was not before the District Court in the first proceeding (Pet. App. 9a).

Although PX-1 was introduced into evidence in the brief second hearing to determine subject matter jurisdiction, the District Court permitted no testimony about its structure or function, and the District Court refused to consider the merits of infringement regarding PX-1 or anything else (Pet. App. 37a-40a). The introduction of PX-1 in evidence during a hearing where the Court prohibited evidence on the merits of infringement does not permit magically the District Court to transmute its earlier findings relative to hypothetical facts about products not accused of infringement (DX-A through D) to the findings describing the accused product, PX-1. Simply put, there is no record evidence relating to a comparison of the accused product (PX-1) to the hypothetical product depicted in DX-A through D on the issue of infringement. Nor did the District Court make such a comparison.

Therefore, the District Court never had the evidence before it or the opportunity to make a finding of fact that "comparisons of the CRB-3000 (the hypothetical facts in the first proceeding) to the claims at issue encompass PX-1." This appellate factfinding by the Court of Appeals is contrary to Rule 52(a) and constitutes legal error. *See, e.g., Icicle Seafoods, Inc. v. Worthington*, 475 U.S. 709, 714 (1986) ("We think that the Court of Appeals was mistaken to engage in such factfinding. . . . If the Court of Appeals believed that the District Court had failed to make findings of fact essential to a proper resolution of the legal question, it should have remanded to the District Court to make those findings."). As stated in *Anderson v. Bessemer City*, 470 U.S. 564, 574-75 (1985):

> The rationale for deference to the original finder of fact is not limited to the superiority of the trial judge's position to make determinations of credibility. The trial judge's major role is the determination of fact, and with experience in fulfilling that role comes expertise. Duplication of the trial judge's efforts in the court of appeals would very likely contribute only negligibly to the accuracy of fact determination at a huge cost in diversion of judicial resources.

Rule 52(a) mandates that "[i]n all actions tried upon facts without a jury . . . , the court shall find the facts. . . ." The Court of Appeals violated that procedural mandate by engaging in improper appellate factfinding. The decision of the Court of Appeals must be vacated and remanded to the District Court for determination of the factual issues.

III. The Panel's Decision Conflicts with Well-Established Precedent of the Federal Circuit

The District Court held that the "CRB-3000" (which was a hypothetical product depicted by exhibits DX-A through D) did not infringe the patents in suit as a matter of law (Pet. App. 25a). However, the hypothetical products depicted in these exhibits were never charged with infringement (Pet. App. 11a).

For summary judgment of noninfringement to be entered, it must be based upon the accused product (in this case, PX-1) upon which jurisdiction is based. Comparison of a hypothetical product depicted in DX-A through D to the accused product PX-1 is an improper test as a matter of law to determine infringement. As the Federal Circuit has held previously:

> However, whether one is determining infringement at trial, in an accounting, or in a contempt proceeding, it must be remembered that it is a claim that is infringed and a claimed invention that is patented. Thus comparison with an adjudicated device cannot serve to encompass within the patent's exclusionary scope a device that does not in fact constitute an infringement of the claim. . . .

Amstar Corp. v. Envirotech Corp., 823 F.2d 1538, 1545 (Fed. Cir. 1987) (emphasis in original).

The same is true with noninfringement. A determination of noninfringement requires a comparison of the accused products to the claims. *See, e.g., Envirotech Corp. v. Al George, Inc.*, 730 F.2d 753, 758 (Fed. Cir. 1984). A comparison of nonaccused "possible constructions" to the claims and followed by the

subsequent comparison of the accused products to the nonaccused "possible constructions," is contrary to the Federal Circuit's precedent.[5] *Id.*

IV. Certiorari Is Necessary to Correct the Federal Judicial Denial of Due Process to Laitram

On appeal from the second adverse District Court opinion, Laitram deliberately avoided the merits regarding infringement. This is because the Federal Circuit had sanctioned counsel for both parties for arguing the merits relating to hypothetical "possible" constructions or products never charged as infringements (Pet. App. 16a-18a).

Laitram was hamstrung on the second appeal. The District Court admitted Laitram was caught in a "procedural pickle" (Pet. App. 43a). The only District Court opinion on the merits of infringement was, and still is, the original seven-page opinion of November 1, 1989 (Pet. App. 25a-31a). That opinion does not even mention PX-1, the accused product. Rather, it refers only to the undefined "CRB-3000 belt," hypothetical products never charged as infringements. The first panel of the Federal Circuit had admonished against reference to the CRB-3000 belt:

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[5]The Federal Circuit held that remedies for patent infringement cannot be awarded until there is an adjudicated act of infringement. *Eli Lilly and Company v. Medtronic, Inc.*, 915 F.2d 670, 674 (Fed. Cir. 1990) ("necessary predicate is a judgment of infringement"). Similarly, there can be no judgment of noninfringement until the court adjudicates the issue of infringement to an accused product. As a matter of law, the determination of noninfringement as to a possible product not accused of infringement and a mere sample cannot be an adjudication as to the "entire complaint."

> On this record, as counsel know, there is no such thing as "the CRB-3000 belt."

(Pet. App. 15a) (emphasis in original).

Under the threat of sanctions from the first appeal and the law of the case, Laitram had no merits to appeal in the present case. There were no findings of noninfringement related to an actual product (PX-1) charged with infringement. Had Laitram raised in this appeal the merits of the District Court's first opinion involving hypothetical products (DX-A through D) not charged as infringements (and not involving PX-1), Laitram would have been required to raise argument "directed to products never charged as infringements" and "about a product (PX-1) that was admittedly not before the district court" when the opinion issued. This argument could be sanctionable under the law of the case.

When all is said and done, Laitram was thrown out of court and sanctioned for addressing the merits of hypothetical facts in the first appeal and then thrown out of court for obeying the sanction order and not addressing the merits of hypothetical facts in the present appeal, even though the merits in both appeals related to the same District Court opinion word for word. Laitram has been denied a meaningful opportunity of appellate review on the merits of the grant of summary judgment. This is a violation of Laitram's right to due process under the law. *See, e.g., Boddie v. Connecticut*, 401 U.S. 371, 377-78 (1971). A mistake has been made. A miscarriage of justice has resulted.

V. Laitram Is Entitled to an Opportunity to Establish There Exists a Genuine Issue of Material Fact as to Whether PX-1 Is Representative of the Hypothetical Products Depicted in DX-A through D

The entire basis for reentry of summary judgment of noninfringement appears to hinge on an alleged finding, nowhere to be found in the record, that the accused product, PX-1, is representative of the nonaccused "possible constructions" depicted in DX-A through D (which the court held to be noninfringing). The District Court denied Laitram its due process rights by reentering summary judgment while simultaneously refusing Laitram an opportunity to offer evidence that PX-1 and the hypothetical products depicted in DX-A through D are substantively different (Pet. App. 37a-40a).

At a minimum, Rule 56(c) requires that Laitram be given its fair opportunity to present evidence which would establish there exist genuine issues of material fact as to whether PX-1 is a representative of the sample products depicted in DX-A through D. This would preclude summary judgment. *Cooper v. Ford Motor Company*, 748 F.2d 677, 679-80, 223 U.S.P.Q. 1286, 1287-88 (Fed. Cir. 1984).

VI. Conclusion

The Court of Appeals' decision is erroneous. The judicial proceedings have resulted in a grant of summary judgment of noninfringement based upon hypothetical facts. There has been no analysis of the accused product (PX-1) to the patent claims. Laitram further was denied its opportunity to present evidence on the merits of infringement before summary judgment was granted.

For the foregoing reasons, this petition for certiorari should be granted. Because the Court of Appeals' decision is so clearly erroneous, summary vacation of the judgment is appropriate, with remand to the District Court for proper determination of the infringement issue.

Respectfully submitted,

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CERTIFICATE OF SERVICE

I hereby certify that three copies of the foregoing **PETITION FOR A WRIT OF CERTIORARI TO THE UNITED STATES COURT OF APPEALS FOR THE FEDERAL CIRCUIT** was served by placing true and correct copies thereof in the United States mail, first-class postage prepaid, addressed to the following:

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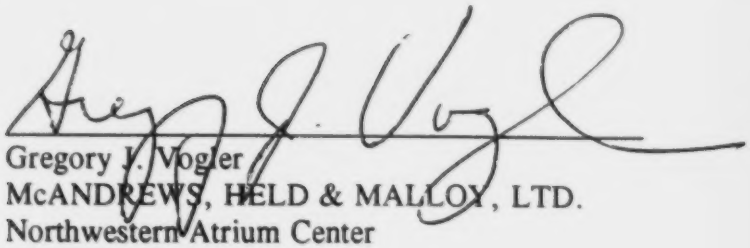
June 23, 1992



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Court of Appeals Order of April 6, 1992
Denying Suggestion for Rehearing In Banc 48a

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

91-1288

THE LAITRAM CORPORATION and
INTRALOX, INC.,

Plaintiffs-Appellants,

v.

THE CAMBRIDGE WIRE CLOTH COMPANY,

Defendant-Appellee.

DECIDED: February 6, 1992

Before NEWMAN, MAYER, and CLEVENGER, Circuit Judges.

PER CURIAM.

The judgment of the United States District Court for the District of Maryland, Civil Case No. X 89-756 (February 11, 1991), finding federal subject matter jurisdiction and reinstating the district court's previous grant of summary judgment in favor of the defendant, is affirmed.

On previous appeal, Laitram Corp. v. Cambridge Wire Cloth Co., 919 F.2d 1579, 1580, 16 USPQ2d 1929, 1930 (Fed. Cir. 1990), this court vacated the district court's summary judgment for the defendant because "no product accused of infringement was before the [district] court . . . [and] the present record contains no evidence that any product accused of infringement had been made, used, or sold when the complaint was filed." Such evidence is necessary for the establishment of federal subject matter jurisdiction. Id. at 919 F.2d 1583, 16 USPQ2d 1932; see also Lang v. Pacific Marine and Supply Co., Ltd., 895 F.2d 761, 765, 13 USPQ2d 1820, 1823 (Fed. Cir. 1990). Accordingly, the case was remanded to determine whether an accused product existed on the date the complaint was filed. Then, if jurisdiction was established, the district court could proceed on the merits of the infringement claims. Laitram, 919 F.2d at 1583, 16 USPQ2d at 1933.

On remand, the district court conducted an evidentiary hearing during which exhibit PX-1 was marked and entered into evidence. Upon the hearing's conclusion, the district court determined that PX-1 is "an exemplar of what could be construed out of the design that is charged as the infringing design[,]" and that PX-1 had been assembled and offered for sale as of March 15, 1989, the date of suit. Therefore, an accused product existed as of the date of suit and jurisdiction was established. The district court then sua sponte reinstated its original summary judgment in

favor of the defendant, observing that it pertained to the "entire complaint."

The appellant bears the burden of showing error requiring reversal of the district court's judgment. See Chemical Engineering Corp. v. Essef Industries, Inc., 795 F.2d 1565, 1573, 230 USPQ 385, 391 (Fed. Cir. 1986). Laitram must demonstrate the absence of a proper and sufficient basis for summary judgment. Id. This can be accomplished by showing that the moving party is not entitled to a judgment as a matter of law or identifying evidence of record that, when viewed in the light most favorable to the nonmoving party, establishes a genuine issue as to any material fact. Fed. R. Civ. P. 56(c).

Laitram contends that the district court did not obey the implicit mandate of this court and erred in reinstating summary judgment without first comparing the claims at issue to PX-1. But this court's previous opinion simply states that "[i]f the district court so finds [that an accused product existed at the date of the complaint], the suit may continue in respect of that product." 919 F.2d at 1583, 16 USPQ2d at 1933. This holding imposes no requirements on the district court beyond those necessary to "continue" any suit.

What is left of Laitram's appeal is the contention that the district court committed reversible error in granting summary judgment without first comparing the claims at issue to an accused product. The basis of this argument is that as of the date of the original summary judgment no actual product accused of infringement was admitted into evidence. It is useful to note that the district court is no stranger to these parties or the subject patents. See e.g. Cambridge Wire Cloth Co. v. Laitram Corp.,

679 F. Supp. 515, 4 USPQ2d 1812 (D. Md. 1987); Laitram Corp. v. Cambridge Wire Cloth Co., 226 USPQ 289 (D. Md. 1985).

As stated in the original complaint, the accused product in this suit is the CRB-3000 modular plastic belt. In the memorandum accompanying the original grant of summary judgment, the district court made numerous comparisons of the accused CRB-3000 design to the claims at issue and determined that the accused design does not infringe the claims, either literally or under the doctrine of equivalents. Necessarily, the comparisons of the CRB-3000 to the claims at issue encompass PX-1, as PX-1 is an "exemplar," i.e., a typical example, of the accused design. Therefore, the bald accusation that the district court failed to compare the claims at issue to an accused product is simply incorrect.

Laitram provides this court with no basis to further review the merits of the summary judgment. Evidence of some form proving that the accused product was made, used, or sold prior to the date of suit is required to establish subject matter jurisdiction, see Laitram, 919 F.2d at 1583, 16 USPQ2d at 1932. But the fact that no actual product accused of infringement was admitted into evidence at the time of the original summary judgment does not, in itself, demonstrate legal error. While an actual accused product may be of significant evidentiary value on the issue of infringement, there is no evidentiary requirement that an accused product be admitted into evidence prior to a grant of summary judgment. What is required is that, based on evidence of record of whatever form, no genuine issue of material fact exists as to whether the accused product infringes the subject claims. Laitram fails to identify any evidence or lack thereof establishing a genuine issue as to any material fact. In fact, Laitram does not offer a single citation to the district court's original record. Instead, it

merely cites to its brief from the previous appeal. These references are improper and we do not consider them.

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

90-1129

THE LAITRAM CORPORATION and
INTRALOX, INC.,

Plaintiffs-Appellants,

v.

THE CAMBRIDGE WIRE CLOTH COMPANY,

Defendant-Appellee.

DECIDED: November 21, 1990

Before MARKEY, Circuit Judge,* MILLER, Senior Circuit Judge, and BROWNING, District Judge.**

MARKEY, Circuit Judge.

*Circuit Judge Markey vacated the position of Chief Judge on 27 June 1990.

**Honorable William D. Browning, District Judge for the United States District Court of Arizona, sitting by designation.

The Laitram Corporation and Intralox, Inc. (Laitram) appeal from a grant to Cambridge Wire Cloth Company (CWC) of a summary judgment of noninfringement of Laitram's patents No. 3,870,141 and No. 4,051,949. Laitram Corp. v. Cambridge Wire Cloth Co., No. S 89-756, Order and Memorandum (D.Md. Nov. 1, 1989). We vacate the judgment, remand with instructions to consider dismissal of the complaint, and sanction counsel for both sides.

I.

Introduction

This case is bizarre. A charade conducted by counsel for both sides led to a grant of summary judgment of noninfringement though no product accused of infringement was before the court. We are, accordingly, compelled to vacate the judgment.[1]

Further, the present record contains no evidence that any product accused of infringement had been made, used, or sold when the complaint was filed. We are, accordingly, compelled to remand the case for consideration of whether the complaint should

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[1]The parties are no strangers to each other or to the courts. See Laitram Corp. v. Cambridge Wire Cloth Co., 226 U.S.P.Q. 289 (D.Md. 1985), aff'd. in relevant part, 785 F.2d 292, 228 U.S.P.Q. 935 (Fed. Cir.), cert. denied, 479 U.S. 820, 107 S.Ct. 85, 93 L.Ed.2d 39 (1986); Laitram Corp. v. Cambridge Wire Cloth Co., 785 F.2d 292, 228 U.S.P.Q. 935 (Fed. Cir.), cert. denied, 479 U.S. 820, 107 S.Ct. 85, 93 L.Ed.2d 39 (1986); Laitram Corp. v. Cambridge Wire Cloth Co., 863 F.2d 855, 9 U.S.P.Q.2d 1289 (Fed. Cir. 1988), cert. denied, 490 U.S. 1068, 109 S.Ct. 2069, 104 L.Ed.2d 634 (1989). That circumstance does not, however, justify the parties' treatment of the district court, this court, and the judicial process in this case.

be dismissed for lack of jurisdiction. See Lang v. Pacific Marine and Supply Co., Ltd., 895 F.2d 761, 13 USPQ2d 1820 (Fed. Cir. 1990).

II.

Absence of Accused Product Before the District Court

Laitram's complaint was filed on March 15, 1989. Nine weeks later, on May 23, 1989, Laitram took the deposition of CWC's Vice President Bailey, who said a part of a conveyor belt was "designed and finalized" in January 1989. At that deposition, an item was for the first time shown and delivered to Laitram's counsel who marked it for identification as "PX-1."

After the close of discovery, CWC moved for summary judgment of noninfringement but did not submit PX-1 or any product or representation of a product accused of infringement.[2] Instead, CWC based its motion solely on four exhibits (DXA, DXB, DXC, and DXD) never accused of infringement. Exhibits DXA-D were described in a declaration by CWC's counsel as:

> Upon information and belief, Defendant's physical exhibits A-D submitted with these Summary Judgment papers are illustrative of four possible

[2]CWC, which brought the motion and was assigned the burden, insults our intelligence in proffering as its sole excuse for not offering PX-1 in evidence before the district court: "CWC did not submit PX-1 as Laitram had sole possession of PX-1." See Fed. R. Civ. P. 34, 45(b).

constructions of the CRB-3000.[3] (Emphasis added).

Before the district, the parties filed extensive briefs and parts of depositions. In their briefs, both parties referred only to "the CRB-3000," leading the court to do so; yet Laitram discussed "the CRB-3000" as though it had the construction of DXA-D. At no time was there a specific "CRB-3000" product of agreed construction before the district court. On the basis of the papers filed, and without a hearing, the district court granted summary judgment of noninfringement, accompanying it with a Memorandum Opinion.

After entry of judgment, Laitram moved to place PX-1 and two deposition pages in the record for appeal. CWC moved to include every page referring to PX-1. The district court granted Laitram's motion, then sua sponte reversed itself and properly excluded PX-1 and all other exhibits that were not before it when it entered summary judgment.[4]

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[3]Because the record identifies no specific product as "the CRB-3000", the term appears merely a label for a product line. On appeal, the parties improperly submit only unsworn and unsupported attorney "testimony" on a fact question. (CWC's counsel says PX-1 and DXA-D are substantially identical; Laitram's counsel says they are not.) The absence of PX-1 renders that question unanswerable and renders CWC's assertion that the district court recognized identity absurd. In all events, it is improper to raise the question for the first time on appeal.

[4]At oral argument, Laitram's counsel said the court "reversed itself. For what reasons, I don't know," and Laitram's brief asserts without explanation that the reversal "constitutes additional error." CWC's counsel told us at oral argument that the district court "said that it was improper to have evidence

(continued...)

It is undisputed that the only products before the district court when it granted judgment were the non-accused "possible constructions" DXA-D. As the record makes plain, DXA-D were not provided to Laitram during discovery and were not the subject of any record testimony, by deposition or otherwise. Nor have we been cited to any evidence that any one of exhibits DXA-D was made or used or sold or ever existed at any time before the complaint was filed. Indeed, the complaint was filed on March 15, 1989 and DXA-D surfaced for the first time with CWC's motion for summary judgment in September 1989. On the present record, belt segments DXA-D must be viewed as exhibits concocted solely for the purpose of the motion.[5]

In its motion, CWC was effectively and improperly saying to the district court, "if we make and sell any of these four

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[4](...continued)
before him that was not before him on summary judgment."

Incredibly, both counsel devoted segments of their oral presentation and over 100 pages of their briefs to argument appropriate only if PX-1 were before the district court when it entered summary judgment. Laitram argues PX-1 infringes; CWC argues DXA-D do not infringe and are substantially the same as PX-1. Though twice forced to read them, we have necessarily refrained from considering any of those arguments on the merits.

[5]Surprisingly, CWC's brief says this in attacking a Laitram argument: "The oft-repeated 'seven eighths identical module' argument refers to a hypothetical belt, a single possible construction of a CRB 3000 belt, constructed by Laitram's attorney during a deposition." (Emphasis added.)

'possible constructions' please advise that we won't infringe."[6] Federal Courts do not sit, however, to decide hypotheticals or to issue advisory opinions. A true case or controversy is required. U.S. Const. art. III, § 2.[7]

Because it necessarily related solely to products never accused of infringement and non-existent when the complaint was filed, the summary judgment of noninfringement cannot stand and must be vacated.

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[6]Unfortunately, Laitram's counsel failed to insist on restriction of the proceedings to a properly accused product, (assuming one was in existence when suit was filed). Laitram did not assist the court's search for truth by merely accusing CWC of misleading while failing to offer PX-1 into evidence with its opposition to CWC's motion.

[7]This colloquy occurred at oral argument:

> The court: But these [DXA-D] have never been produced, you told us.
>
> CWC's counsel: That's correct.
>
> The court: Then they aren't a product?
>
> CWC's counsel: They had never been produced when suit was brought.
>
> The court: Well, accuse [plaintiff] under Rule 11. Infringement suit without a basis. You don't go out and create hypothetical products and ask the district court to rule on infringement by a hypothetical product.

III.

Absence of Accused Product When Complaint Was Filed

This court's Order of June 11, 1990, contained this:

> The parties dispute the existence of an accused product at the time suit was filed. Brief for Appellee at 4, n. 5; Reply Brief for Appellant at 5-6, n. 1. Neither party addresses the question of a court's jurisdiction over a suit for infringement in the absence of an accused product. See Lang v. Pacific Marine and Supply Co., 895 F.2d 761 (Fed. Cir. 1990).

In the 113 pages of the parties' substituted briefs, one searches in vain for an answer to this court's question.

There was and is no record evidence that PX-1 (which Laitram calls the accused product) had been made or sold or was even in existence when suit was filed on March 15, 1989.[8]

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[8]Having lost its post-judgment motion to add it in the district court, Laitram moved here to add PX-1, disingenuously describing it as having been "before the district court." This court improvidently granted the motion for the limited purpose of permitting argument on the exclusion of PX-1. Laitram's argument consists solely of a one-sentence naked statement that the exclusion "was error." Laitram's extensive arguments on infringement, written as though PX-1 is of record for all purposes, violated the limitation set forth in this court's order of February 26, 1990.

The exclusion was clearly proper and PX-1, which was not presented to the district court before the judgment was entered, cannot be

(continued...)

Nowhere does Laitram cite to any evidence that CWC had made, used, or sold PX-1 before March 15, 1989. The nearest Laitram comes is to cite Bailey's testimony that "The CRB-3000" was "designed and finalized," (with no explanation of how that constitutes infringement) and to inject counsel's statement, with no record citation, that PX-1 "was in existence."

Nowhere does CWC cite to any evidence that it made, used, or sold PX-1 before March 15, 1989. Indeed, CWC's original brief contained this:

> Belts constructed in accordance with each [DXA-D] design have now been sold.[9] No

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[8](...continued)
considered as being before this court on this appeal. In its motion in this court, Laitram asserted that the single "reference" to "PX-1" in its extensive brief in the district court constitutes submission of the physical exhibit. That assertion reflects a woefully inadequate knowledge of the differences among identification, submission, and admission of evidence.

[9]The "now been sold" statement in the quote illustrates the penchant of both parties for reliance on improper testimony by counsel on appeal. It also constitutes an improper effort to inject a post-trial, non-record fact irrelevant on appeal.

When the "now been sold" statement was repeated at oral argument, this colloquy occurred:

> The court: What has that got to do with it?
>
> * * * * * *
>
> The court: Is there evidence of a sale? Any

(continued...)

> CRB-3000 belts of any construction had been made or sold until long after the close of discovery. PX-1, not before the trial court and improperly included in the joint appendix by Laitram, is a prototype of the CRB-3000. (Emphasis added).

This appears in CWC's substituted brief:

> Both parties agree that the CRB-3000 belt existed prior to the filing of this lawsuit. As testified to by Mr. Bailey, PX-1 is a CRB-3000 product.[10]

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[9](...continued)
invoices?

CWC's counsel: None was submitted to the judge. No, Your Honor.

The court: Just oral argument?

CWC's counsel: There was no oral argument, Your Honor.

The court: There was just counsel's statement?

CWC's counsel: That's correct.

[10]The parties cannot, of course, confer jurisdiction. Nor can jurisdiction be determined by any attempted reconciliation of the many obviously obfuscating assertions in the briefs. Presumably, the parties will exhibit greater candor when and if the existence or non-existence of an infringing product on March 15, 1989 is presented to the district court on remand in this case.

On this record, as counsel know, there is no such thing as "the CRB-3000 belt." Indeed, as his excuse for submitting only "possible constructions" DXA-D, CWC's counsel says conveyor belts are custom made after receipt of a customer's order.[11]

If there had been evidence before the district court, and there was none, that CWC intended and was preparing on March 15, 1989 to produce and sell PX-1, it would not matter, for neither intent nor preparation constitutes infringement under 35 U.S.C. § 271. Lang, 895 F.2d at 765, 13 USPQ2d at 1823. Laitram did not sue for declaratory judgment and we do not here confront an action filed by CWC for a declaratory judgment that DXA-D do not infringe (an action that would not lie, Laitram never having charged DXA-D as infringements). For a succinct explanation of the difference between a suit for infringement under 35 U.S.C. § 271 and a suit for a declaration of noninfringement under 28 U.S.C. § 2201, see Rung Industries v. Tinnerman, 626 F. Supp. 1062, 1064, 229 USPQ 930, 932 (W.D. Wash. 1986).

Neither party properly addressed the question of the district court's jurisdiction in this case. Laitram did not discuss Lang at all in relation to whether there was an infringing product in existence on March 25, 1989. CWC says, irrelevantly, that jurisdiction is not affected by "product changes" during suit, citing Anraku,[12] which say nothing of any such effect, and Rung

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[11]CWC attaches to its substituted brief as "Exhibits" deposition pages not identified to the district court, implying incorrectly that they support existence of an accused product when suit was filed.

[12]Anraku v. General Electric Co., 80 F.2d 958 (9th Cir. 1935), cert. denied, 298 U.S. 678 (1936).

Indus.[13] which it merely says "distinguished" Anraku. CWC's sole reference to Lang is a statement that it cited Rung with approval.

On the present record, the parties have identified no specific product made, used, or sold by CWC and thus subject to a charge of infringement on March 15, 1989 when suit was filed. On that basis, there was no actual case or definite and concrete controversy over which the district court might have exercised jurisdiction. The irresponsible treatment of the record by the parties on appeal, however, leaves open the possibility that there may have been in existence a product to which the complaint when filed may be deemed to have applied. If the district court so finds, the suit may continue in respect of that product. If not, the district court must dismiss the complaint for lack of jurisdiction.[14]

IV.

Sanctions

Counsel for neither side appears willing, even when cautioned, to understand and follow the rules governing the appellate process. Showing no mercy on this busy court, they first filed briefs so replete with cross-charges of misstatements and so lacking in record references as to frustrate the desire of this court to trust its officers in this case. The court was thus compelled to

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[13]D.G. Rung Indus. v. Tinnerman, 626 F. Supp. 1062, 229 U.S.P.Q. 930 (W.D. Wash. 1986).

[14]If, as CWC's counsel says, CWC is now producing and selling a product, nothing here said would preclude Laitram from filing a proper, good faith complaint charging that product with infringement.

decline the burden of checking each statement and to reject those briefs. See Laitram Corporation & Intralox, Inc. v. Cambridge Wire Cloth Company, 905 F.2d 386 (Fed. Cir. 1990) (listing improprieties). Continuing a kind of "Alice of Patentland" approach to the judicial process, the parties' conduct then grew "curiouser and curiouser," for their new briefs include: statements of fact with no record reference; statements of fact for which there is no record; reliance on attorney argument and counsel's unsworn fact statements as "evidence"; citation of materials and raising of questions as though they were before the district court when the present record indicates they were not; assertions of and reliance on facts that occurred after entry of the judgment appealed from; irreconcilably conflicting positions of the same party; citation of inapplicable authorities; page upon page of argument about a product that was admittedly not before the district court and is not before this court; arguments directed to products never charged as infringements; disregard of the concerns expressed by this court at oral argument; and a refusal to come to grips with the questions propounded by this court. Far from aiding this court to decide, by presenting legal arguments on concrete fact patterns, counsel have in this case wasted this court's resources by playing in the rarified atmosphere of a debating society. In sum, the parties' briefs and arguments on this appeal serve not to seek but to obfuscate the truth.

In rejecting the original briefs, this court required substitute briefs at that time "in lieu of . . . imposing appropriate sanctions." 905 F.2d at 387. The conduct reflected in the original and substitute briefs unreasonably and vexatiously multiplied the proceedings, rendering both counsel subject to sanction under 28 U.S.C. § 1927. Julien v. Zeringue, 864 F.2d 1572, 1576, 9 USPQ2d 1554, 1557 (Fed. Cir. 1989) (sanctioning counsel's reckless disregard for his duties to this court); Westinghouse Elec.

v. N.L.R.B., 809 F.2d 419, 425 (7th Cir. 1987) (lawyers personally sanctioned for non-compliance with rules limiting briefs to 50 pages, double spacing and specified margins). Like Rule 38, Fed. R. App. P., however, § 1927 relates to payment of costs and attorney fees to the other side, rendering fruitless a sanction under § 1927 in this unusual case. The court must therefore look to its inherent power to discourage such conduct. Eash v. Riggins Trucking, 757 F.2d 557 (3rd Cir. 1985) (en banc).

Accordingly, counsel who signed the briefs, Messrs. G. Franklin Rothwell, William T. Enos, and Paul J. Hayes, shall each personally and individually, within 30 days of the date of this opinion, pay to the Clerk of this court for recovery into the Treasury of the United States the sum of $1,000. Though the colloquy at oral argument and this court's order of 11 June 1990 provided full warning, and the sanctionable conduct occurred in the presence of the court, see Kapco Mfd. v. C & O Enterprises, 886 F.2d 1485, 1495 (7th Cir. 1989), any sanctioned counsel who desires to do so may, within 14 days of the date of this opinion, which time will not be extended, show cause in writing not to exceed 25 pages why he should not be required to make such payment.

V.

CONCLUSION

The summary judgment of noninfringement is vacated. The case is remanded to enable the district court to determine the existence or non-existence of an accused product on March 15, 1989. A sanction is imposed on each officer of the court who signed the briefs in this case.

VACATED-REMANDED-SANCTION IMPOSED.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

THE LAITRAM CORPORATION and INTRALOX, INC.,	)	
Plaintiffs,	)	
v.	)	Civil No. S 89-756
THE CAMBRIDGE WIRE CLOTH COMPANY,	)	
Defendant.	)	

ORDER AND JUDGMENT

For the reasons stated in a Memorandum Opinion of even date entered herein, it is, this 11th day of February, 1991, by the Court ORDERED and ADJUDGED:

1. That this Court acquired federal subject matter jurisdiction upon the filing of the complaint herein;

2. That JUDGMENT ON THE MERITS BE, and it hereby IS, ENTERED in favor of the Defendant, and against the Plaintiffs, for the reasons stated in this Court's Memorandum Opinion of November 1, 1989 (Paper #51), with costs only as originally assessed pursuant to this Court's Judgment Order of November 1, 1989 (Paper #52), each party to bear its own costs for the proceedings on the present remand;

3. That this case BE, and it hereby IS, CLOSED; and

4. That the Clerk mail copies hereof to counsel and to the Clerk of the United States Court of Appeals for the Federal Circuit.

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Frederic N. Smalkin
U.S. District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

THE LAITRAM CORPORATION and INTRALOX, INC.,	)	
Plaintiffs,	)	
v.	)	Civil No. S 89-756
THE CAMBRIDGE WIRE CLOTH COMPANY,	)	
Defendant.	)	

MEMORANDUM OPINION

This case having been remanded to this Court by the United States Court of Appeals for the Federal Circuit for the purpose of this Court's determination of whether there was subject matter jurisdiction to support the complaint when it was filed on March 15, 1989, this Court conducted a hearing on the issue viva voce on February 11, 1991. At the conclusion of the hearing, this Court found as a fact that, as of March 15, 1989, the defendant (CWC) had made modules capable of being assembled into conveyor belting on order from any customer, that a sample (and not just a "hangar queen") assembled from these modules had been made (Plaintiffs' Hearing Ex. 1) and shown to the trade prior to March 15, 1989, and that belts made from these modules were offered for sale to the general public. It is both the design of the belting and the modules from which the finished belts are custom-assembled to customer order that were charged in the complaint as

infringing upon the plaintiffs' patents. Thus, this Court acquired subject matter jurisdiction on the filing of the complaint.

As to the merits, the Federal Circuit did not reach this Court's grant of summary judgment, because it did not know whether federal jurisdiction was present. Now that this Court has answered the question in the affirmative, it will reinstate the judgment on the merits heretofore rendered for the defendant, on the defendant's earlier motion for summary judgment.

The question of whether this Court had jurisdiction ab initio is, of course, wholly separate from, and unrelated to, the merits of the case, and the Court sees no reason to take away defendant's victory on the merits by re-opening the case for further summary judgment proceedings or trial. It might well be, as the plaintiffs' counsel said at the conclusion of the February 11, 1991, hearing, that the source of the Federal Circuit's questioning of this Court's jurisdiction is traceable to confusion on appeal over whether the products on which summary judgment was granted are the same as those extant on March 15, 1989, but that is beside the present point (which is, simply, that summary judgment has already been granted as to the entire complaint), and, if it be true, it stems from the way in which the case was presented to the appellate court by counsel. In no event need further proceedings on the merits be conducted in this Court, unless and until the Federal Circuit (should a new appeal be filed from the Order to be entered to effectuate this Memorandum Opinion) so orders.

For the reasons stated, an Order and Judgment will be entered separately, reciting the jurisdictional findings of the Court

and entering summary judgment for the defendant, on the reasoning of this Court's prior summary judgment opinion.

Dated: February 11th, 1991

Frederic N. Smalkin
U.S. District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

THE LAITRAM CORPORATION and INTRALOX, INC.,	)	
Plaintiffs,	)	
v.	)	Civil No. S 89-756
THE CAMBRIDGE WIRE CLOTH COMPANY,	)	
Defendant.	)	

ORDER

For the reasons stated in the foregoing Memorandum, IT IS, this 1st day of November, 1989, by the Court, ORDERED and ADJUDGED:

1. That defendant's motion for summary judgment BE, and the same hereby IS, GRANTED;

2. That judgment BE, and the same hereby IS, entered in favor of the defendant, against the plaintiff; and

3. That the Clerk of Court mail copies of the foregoing Memorandum and of this Order to counsel for the parties.

Frederic N. Smalkin
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

THE LAITRAM CORPORATION and INTRALOX, INC.,	)	
Plaintiffs,	)	
v.	)	Civil No. S 89-756
THE CAMBRIDGE WIRE CLOTH COMPANY,	)	
Defendant.	)	

MEMORANDUM

Once again,[15] the Laitram Corporation (Laitram) is suing the Cambridge Wire Cloth Company (CWC) for infringing certain United States patents pertaining to plastic modular conveyor belting. The defendant has moved for summary judgment, supporting its motion with numerous exhibits, including physical exhibits exemplifying the allegedly infringing device. The plaintiff

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[15]See Laitram Corp. v. Cambridge Wire Cloth Co., 226 U.S.P.Q. 289 (D. Md. 1985), aff'd, 785 F.2d 292 (Fed. Cir.), cert. denied, 479 U.S. 820 (1986), and Cambridge Wire Cloth Co. v. Laitram Corp., 679 F. Supp. 515 (D. Md. 1987), rev'd, 863 F.2d 855 (Fed. Cir. 1988), cert. denied, 1009 S.Ct. 2069 (1989). See also Rexnord, Inc. v. Laitram Corp., 628 F. Supp. 467 (E.D. Wisc. 1986), and 6 U.S.P.Q.2d 1817 (E.D. Wisc. 1988) (same patents, different defendant).

has opposed the motion. No oral hearing is deemed necessary. Although the Court recognizes that the plaintiff has prayed a jury trial, it nonetheless is empowered to grant summary judgment where the disputes are only as to legal matters, or, if as to factual matters, no reasonable fact-finder could find in favor of the party moved against, were the case at the directed verdict stage. Anderson v. Liberty Lobby, Inc., 477 U.S. 242 (1986). The Federal Circuit has recognized that summary judgment can be utilized in cases where the issues include equivalency, Molinaro v. Fannon-Courier Corp., 745 F.2d 651 (Fed. Cir. 1984), particularly where, as here, the same parties have been involved in the prior litigation. The issues of claim interpretation posed in this particular case are disputed issues of law, not of fact, as the Federal Circuit has recently made clear in Johnston v. IVAC Corp., 885 F.2d 1575 (Fed. Cir. 1989), slip op. at 4-5 and 9-12.

The Court has no hesitation in concluding as a matter of law that the challenged product (CWC's CRB-3000 belt) does not literally infringe either claim 19 of the '141 patent or claim 21 of the '949 patent. As to the former, the fact that the CRB-3000 is not made up of a plurality of like modules, each with a first and second like plurality of like ends of like width, rules out any question of literal infringement. While the CRB-3000 does incorporate some like modules, the structure of the CRB-3000 is dependent upon utilizing modules which are not alike and which are incapable of being reversed end-for-end, or of being used any way except in their designated positions vis-a-vis one another. The language concerning like modules was specifically inserted in the patents to avoid prior art such as Stanius and Mayfran, which were modular belts incorporating dissimilar modules. Cf. Rexnord, Inc. v. Laitram Corp., 6 U.S.P.Q.2d 1817, 1830 (E.D. Wisc. 1988). With regard to literal infringement of the '949 patent, the discussion above pertaining to the '141 patent is also apt, in that

the same requirement for like modules exists in the claims of both patents. More to the point, the '949 patent calls for staggered vanes, whereas the CRB-3000 has vanes that are not staggered.

Plaintiff's argument on literal infringement is nothing if not audacious. Plaintiff essentially argues that, in determining literal infringement, the Court should disregard the plain meaning of the words of the patent claims and find factual disputes based upon similarity of function, rather than upon the descriptive words of the claims. Although like does not mean identical, there can be no dispute of fact that not all the CRB-3000 modules are alike, nor that the CRB-3000 does not have staggered vanes. Literal infringement requires exact reading of a claim on the accused device, see Townsend Engineering Co. v. Hitec Co., Ltd., 829 F.2d 1086, 1090 (Fed. Cir. 1987), which, as a matter of law, is not present here.

Of course, the determination that there is no literal infringement does not end the inquiry. This Court was made pointedly aware by the Federal Circuit in Laitram Corp. v. Cambridge Wire Cloth Co., 863 F.2d 855 (Fed. Cir. 1988), cert. denied, 109 S.Ct. 2069 (1989), that the patents in suit are entitled to a range of equivalents. Id. at 860-61. This Court, however, does not read Laitram (863 F.2d) as granting the plaintiff, through the patents here in suit, a virtual monopoly on the entire field of modular plastic conveyor belting. This Court has carefully considered the Laitram case's discussion of the doctrine of equivalents, and it understands that the Federal Circuit disagreed with this Court's conclusion as to infringement by equivalence in the factual context there present. But this case is an entirely different matter. The design change of the Cam-Clean II product involved in the Laitram litigation was de minimis in comparison to

the design change between the two earlier Cam-Clean products, taken together, and the present CRB-3000 product.

Recognizing that inferences on summary judgment must be drawn in favor of the party moved against and also recognizing that Laitram has claimed pioneer status for the patents in suit, see Laitram, 863 F.2d at 861, n.15, this Court will assume that the patents are entitled to pioneer status and thus "a very wide range of equivalents." Id. Nonetheless, the doctrine of equivalents cannot be used to allow a patentee to recapture designs or claim elements that were foresworn during prosecution of the patent in order to avoid prior art or during earlier litigation; traditional notions of estoppel prevent such conduct.[16] See Perkin-Elmer Corp. v. Westinghouse Elec. Corp., 822 F.2d 1528, 1532 (Fed. Cir. 1987). Even pioneer patents are not insulated from these traditional notions of estoppel. Texas Instruments, Inc. v. United States Int'l. Trade Comm., 846 F.2d 1369, 1370 (Fed. Cir. 1988). The reasons for this rule are quite obvious. Let us assume that a pioneer patent, like the one in suit, has achieved pioneer status because it results in the first practical, commercially successful product of its kind. Indeed, Mr. Lapeyre's idea for virtually indestructible, modular plastic conveyor belting capable of easy assembly to almost any desired width broke new practical ground in the industry. At the same time, though, the prior art and the prosecution history of the Lapeyre patents show that a number of inventors, going back to the previous century, had come up with very similar concepts, none of which proved to be nearly as

---

[16]Among the innumerable motions which the parties, especially the plaintiff, have filed in this case is plaintiff's motion in limine regarding the estoppel defense (Paper #40). To the extent that it seeks to preclude estoppel as a basis for summary judgment, that motion is denied, as legally and factually meritless.

practical as the devices marketed by Laitram. Both in the Patent Office and in litigation, the amount of prior art around which Laitram had to shape its claims was considerable. See, e.g., Laitram Corp. v. Cambridge Wire Cloth Co., 226 U.S.P.Q. 289 at 295-301. If, in such a case, pioneer status were allowed to carry with it a broad enough range of equivalents to bring back into the patentee's monopoly prior art over which the pioneer patent had been distinguished in the Patent Office and in judicial proceedings, the patent would be unfairly turned into a true monopoly preempting the entire concept field. Bootstrapping of this degree cannot be tolerated.

Against this analytical framework, the patents in suit are not infringed by the CRB-3000 product under the doctrine of equivalents. It is crystal clear--and a matter which a reasonable fact-finder could not find disputed on this record--that the CRB-3000 is not the functional equivalent of the '141 belt, because the CRB-3000 cannot be made from like modules which are capable of simple assembly, being all alike and reversible. The accused product is more like the Mayfran and Malard patents, which included modules that could not be switched end-for-end, and which were not alike throughout the length and width of the belt. In the CRB-3000, to be sure, certain like intermediate modules could be inserted to vary the width of the belt, but the end modules are indisputably not reversible end-for-end nor interchangeable. The prior art of Mayfran and Malard estops even the assumedly pioneer patents in suit from reclaiming that which was foresworn earlier, i.e., the use of unlike modules in assembling the belt.

With regard to the '949 patent, the doctrine of equivalents similarly cannot apply--because the modules are not alike, as discussed above. Nor, for the same reasons as stated above,

would the doctrine of equivalents allow the '949 patent to have so broad a range of equivalents as to recapture that which was disclaimed in prior proceedings, viz., a belt with vanes that do not have a staggered relationship among themselves. The presently accused device has vanes which are not staggered between modules, and, like the Perkins prior art, it shows a surface gap transverse to the direction of travel of the belt. It does not have the seamless plane that would be required for equivalence to the '949 patent, given that patent's prosecution history and plaintiff's litigation history. Again, application of the doctrine of equivalents here would allow the patentee to go back and incorporate elements that were abandoned in light of the prior art, particularly Perkins and Poerink. Even the doctrine of equivalents as applied to pioneer patents is not that broad.

As an additional ground for its decision, the Court holds that no reasonable trier of fact could conclude, on this record, that the CRB-3000 performs substantially the same function in substantially the same way to produce substantially the same result as the Laitram-patented belts. See Molinaro, 745 F.2d at 655. The accused belts do not have the ease of assembly characterizing the '141-patented belts, the design resistance to shear of those belts, or the smooth object-transferring effect of the '949-patented belts. It might be that, in isolation, none of these dissimilarities would negate a finding of infringement by equivalents. Yet, taken together, they have resulted in a product that is sufficiently different in important attributes of both form and function as not to infringe by equivalency. Many devices are similar to one another, as are the devices involved in this litigation. But, it is only substantiality of similarity--lacking here--that infringes by equivalency.

For the reasons stated, an order will be entered separately, granting the defendant's motion for summary judgment.

Dated: November 1, 1989

Frederic N. Smalkin
United States District Judge

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

THE LAITRAM CORPORATION and	)	
INTRALOX INC.	)	
VS.	)	NO. S-89-756 CIVIL
THE CAMBRIDGE WIRE CLOTH COMPANY	)	

FEBRUARY 11, 1991
BALTIMORE, MARYLAND

The above entitled case came on for hearing before the Honorable Frederic N. Smalkin at 10 a.m.

APPEARANCES

FOR THE PLAINTIFFS:

Thomas D. Washburne, Esq.
Paul J. Hayes, Esq.
Victor B. Lebovici, Esq.

FOR THE DEFENDANT:

G. Franklin Rothwell, Esq.
William T. Ends, Esq.

[page 2]

PROCEEDINGS

THE COURT: Be seated, please.

Civil Case Number S-89-756, Laitram Corporation and Intralox, Inc. versus Cambridge Wire Cloth, for hearing this morning on the question of the court's subject matter jurisdiction pursuant to remand from the Federal Circuit.

All right, the plaintiffs, of course, have the burden of showing jurisdiction. So, you can go ahead.

MR. HAYES: Yes, your Honor. We call Mr. Bailey to the stand.

Thereupon --

Peter K. Bailey

was called as a witness for and on behalf of the plaintiffs, and, after first having been duly sworn, testified as follows:

THE CLERK: Please state your name for the record.

THE WITNESS: Peter K. Bailey. B.A.I.L.E.Y.

THE CLERK: Peter K. Bailey, please be seated and speak directly into the microphone.

DIRECT EXAMINATION

BY MR. HAYES:

Q Mr. Bailey, you are vice-president of manufacturing and engineering at CWC, correct?

A Correct.

Q And you have been the vice-president of manufacturing

[page 37]

or not, appears to be enough, isn't it?

MR. ROTHWELL: That is my view, your Honor. If you make one, whether it is a sample or not, it is enough.

There is one other case that we mention, and that is Paper Converting v. Magnagraphics --

THE COURT: Well, it is a shame that we had to come all this distance, go to the Federal Circuit and back, and take a couple of years to get to that point. I just don't understand what in the world was going on.

You appear to be in substantial agreement, then, Counsel, as you have been, but I felt that I could not resolve this without hearing evidence on it. That is what the Federal Circuit told me to do, so I had to hear evidence on it.

All right, then, based on the evidence and the arguments of Counsel, which are in substantial agreement, and based on the

testimony of Mr. Bailey, I would find and I do find by a preponderance of the evidence that there was a product made as of March 15th, 1989 which constituted a sample that was offered for sale because of the nature of conveyor belts and the fact that they are modular building and all conveyor belts basically in substantial industrial application are custom made in terms of their width and other specifications. You don't inventory them, you inventory the modules and you put them together as needed by *[page 38]* the customer to fit the custom application.

So, in terms of what kind of product was in existence and available for sale, I would find that the PX-1 that was offered was made and offered for sale as of March 15th, 1989. It was an exemplar of what could be constructed out of the design that is charged as the infringing design.

The design was certainly there as of March 15th and a physical product embodying it was there and offered for general sale to the public as of March 15th of 1989; and, it seems to me that is sufficient to support the subject matter jurisdiction of the court with regard to an action for infringement, especially since, as I have indicated, what is shown to the public are the modules and it is the modules that are held to be or charged here as the infringement.

The fact that the finished product is custom assembled from these modules and that no finished product had been sold as of March 15 does not, in my judgment, detract from the fact that as of March 15th modules had been made, a sample had been assembled showing how the modules fit together, and offered for sale to the public as an exemplar of what could be custom built for them.

So, I think there is subject matter jurisdiction in the court. Frankly, I don't understand how, over the period of since I have ruled in this case on summary judgment the thing got so complicated, but it seems to have taken on -- ***[page 39]*** this question seems to have taken on a life of it's own in Washington and it was sent back here and now that it is here, the parties substantially agree that the product was there. The patent statute says: made, sold -- even if it was made as a hangar queen, so long as it was not, you know -- I am sure Judge Markey knows what a hangar queen is, but it looks like he is retired. He is an old test pilot from World War 2.

A hangar queen is something that looks impressive, but it won't fly. You build it in a hangar and it looks nice, but, of course, it is not structurally sound and if you try to fly it, it would fall apart. That is what a hangar queen is.

I don't think that the PX-1 here was a hangar queen. It might have had a little hand-fitting, but it represented essentially a refined design for which the tooling to make it was an order.

If somebody had ordered a big piece of it at the trade sale for rush delivery, I suppose it could have been hand-fitted to be assembled -- and Mr. Bailey, I see him nodding in the back, he is not on the stand anymore, but he agrees that if somebody needed one as a rush, and they had gotten an order at the trade sale, it could have been hand-fitted and put together by March 15th.

So, I think there is enough there to sustain ***[page 40]*** subject matter jurisdiction.

What I propose to do, Counsel, because the merits of the thing are unresolved in the Appellate Court, I am not going to

reopen the whole summary judgment process here. I have ruled on the summary judgment issue. I am just going to enter an order that says that the court has jurisdiction -- I find that the court has subject matter jurisdiction, and then immediately enter summary judgment on the basis of the memorandum opinion that was earlier filed. And then you go back to Washington. That is where I see it going from here.

MR. HAYES: May I be heard, your Honor?

THE COURT: Yes.

MR. HAYES: The problem, judge, on that issue, is that PX-1 and belts made in accordance with PX-1 are the subject matter of this case and that is what Laitram has sued on.

THE COURT: Right.

MR. HAYES: The summary judgment motion that you entered were on these possible samples that did not exist prior to the institution of this lawsuit and are not representative of the accused product.

THE COURT: Well, they were when the suit was filed, and that is what is at issue.

MR. HAYES: Well, they weren't; and, that is the *[page 41]* issue, judge.

THE COURT: Well, now we are getting back to the same reason we had the confusion in Washington and I am not going to open that up. If you can convince them to vacate the summary judgment on that ground, that is fine; but, that is the end of it.

The case is over so far as I am concerned. So, it goes back to Washington.

The other way to do this is to dismiss this whole thing without prejudice and refile and start all over again. If you want to do that, that is up to you; but, I am not going to reopen the proceedings. All I am going to do is to answer the question that the Federal Circuit remanded it here for me to answer and then it goes right back to them on summary judgment.

MR. HAYES: Well, the problem, judge, is that the reason it was kicked out in the Appeals Court was that the only product that was before the District Court upon which you granted summary judgment was not the product accused of infringement.

THE COURT: That is a problem, but it is not my problem. So, that will go back up to the Federal Circuit.

If the Federal Circuit thinks that it ought to come back for a plenary reconsideration, that is fine; but, that is an evidentiary problem and that is a motions problem, not a subject matter jurisdiction problem.

[page 42]

MR. HAYES: Well, I think that what the Federal Circuit, with all due respect, was saying was that with regard to these quote possible samples that were before the District Court, there was no subject matter jurisdiction and it vacated it to this court to determine whether or not PX-1 existed and then, if it did, to proceed --

THE COURT: No, no, no.

MR. HAYES: I think that is what they said.

THE COURT: No, no. Absolutely not. They didn't say anything about it, about that. They didn't say anything about further proceedings. They just said the existence or non-existence of an accused product on March 15.

You accused PX-1. The fact that your motion was based on PX-1 and you now you say PX-1 was not representative, that is another problem. That is a motions problem, not a jurisdiction problem.

MR. HAYES: Your Honor. If you would look at page 9 of Judge Markey's decision --

THE COURT: Right.

MR. HAYES: It says --

THE COURT: I am looking at it.

MR. HAYES: -- (continuing) the irresponsible treatment of the records by parties on appeal, however, leaves open the possibility that there may have been in existence a --

[page 43]

THE COURT: Right, and it says: If the District Court so finds, the suit may continue. But it is not continued. It is over. It only continues to the extent that it has any life at all, which is for the Federal Circuit to decide the merits of the summary judgment; and, that is where we go from here.

All right, thank you, Counsel. I will enter an order accordingly, and it will go right back up to the Federal Circuit if you want to appeal.

MR. HAYES: Your Honor, if the court is going to enter -- do as you just said, what I would like to mark, so that --

THE COURT: No, it's not relevant to summary judgment. I am not going to mark anything.

The only question that is here is whether there was jurisdiction as of March 15, '89. I have answered that, yes, and summary judgment has already been entered on the merits of the case and it goes back up to Washington.

And I am not taking evidence on the merits of the case today at all; not at all. That is not open.

All right. I will enter an order accordingly. The order will be an order and judgment. The order will find that there was subject matter jurisdiction when the complaint was filed and it will EO INSTANTE enter summary judgment for the defendant on the basis of the court's ***[page 44]*** earlier opinion, and that is the end of it.

Okay. Thank you, Counsel.

MR. WASHBURNE: The exhibits are to go back, your Honor?

THE COURT: Oh, yes.

THE COURT: I am not going to reopen the whole case on the merits. It is not going to be done.

MR. HAYES: Your Honor, with all due respect, I mean, if you are going to grant summary judgment and find that indeed summary judgment is appropriate –

THE COURT: It has already been granted.

MR. HAYES: I would --

THE COURT: It has already been granted. That aspect of the case is over.

MR. HAYES: It has been granted with respect to products i.e. the samples that were before you.

THE COURT: That's right, and that is what the case was about. That is what it was about.

MR. HAYES: It has been granted with respect to products that the Appeals Court (a) said of which there is no subject matter jurisdiction and are not representative of the accused product. That is my problem. You are granting summary judgment --

THE COURT: That is not what they said, Mr. Hayes. That is not what they said.

[page 45]

All they wanted to know was, was there an accused product as of March 15, '89. We have answered that question. The answer is, yes.

Now, as to whether that product infringed or not is a matter that was subject to a judgment on the merits, and I see no reason at all to reopen the judgment on the merits. That is the end of it.

MR. HAYES: We disagree.

THE COURT: That is fine. You have two choices of action. You can either appeal the order and judgment that I am going to enter today, and that will reinstate your appeal on the merits; or, you can dismiss this whole thing and start all over again. So, you have got those two choices of action.

If I am wrong in refusing to revisit the thing on the merits, I am sure the Federal Circuit will tell me so.

MR. HAYES: Judge, how can I dismiss it and start all over again. I don't understand.

THE COURT: Well, you can ask for a voluntary dismissal without prejudice and then file again. I mean, they are selling it, aren't they? Limitations hasn't run, has it?

MR. HAYES: You have granted summary judgment.

THE COURT: Well, that's true; you can't. That is right. You don't have that option. You don't have that ***[page 46]*** option; and, it would not be fair to the defendants to vacate the summary judgment, because it was not remanded for reconsideration on the merits. All right.

MR. HAYES: If I could --

THE COURT: It is a procedural pickle.

MR. HAYES: Well, we may be, but it would seem to me, that before Laitram gets kicked out of this court on summary judgment --

THE COURT: You already have been.

MR. HAYES: We have been with regard to products that we have never even accused --

THE COURT: You have been with regard to the entire complaint. A summary judgment goes to the entire complaint.

The question of whether you properly brought before the court what you contend is the infringing product during the summary judgment phase -- whether you or the other party did, has to do with the propriety of granting summary judgment, and that is for the Federal Circuit to review.

The only question that they had is, was there a case or controversy as of 15 March 1989. We answered that. The answer is, yes.

MR. HAYES: Maybe I am losing it here, judge.

THE COURT: Well, it was lost in Washington.

MR. HAYES: I just don't understand why the court wouldn't just proceed to trial on the issue, for example, *[page 47]* the PX-1, PX1-A, and PX1-B.

THE COURT: There is not going to be any trial because I have already granted summary judgment, and I am going to reinstate the summary judgment. There is no issue for trial.

The merits were fully reached earlier. That is the law of the case, and there you have it. If the Federal Circuit thinks, in the interest of justice, that that grant of summary judgment was based on some faulty premise, they can vacate it and send it back and we will try it.

MR. HAYES: We will see.

THE COURT: Okay.

MR. HAYES: Thank you, Judge.

THE COURT: All right, thank you, Counsel.

I agree with you, Mr. Hayes, it is an odd situation; but, because the merits of the case were never reached and because the only purpose of the remand was for that narrow purpose of deciding -- if you read the opinion, it says, for the purpose of deciding whether there was subject matter jurisdiction as of March 15.

That is the bottom line of the opinion and certainly on the last page, and I have answered that question. The answer is, yes, which then means that there was a case or controversy for me to adjudicate; and, the summary judgment stands as an adjudication of that case or ***[page 48]*** controversy. Now, if that was mistaken on the merits, that is something else.

Okay, thank you.

(Thereupon, at 11:15 o'clock a.m., an adjournment was had in this matter.)

* * * *

CERTIFICATE

I hereby certify that the foregoing is a true and accurate transcript from the proceedings container herein.

_____

Fred Sapperstein
Chief Official Court Reporter

* * * * *

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

91-1288

THE LAITRAM CORPORATION and
INTRALOX, INC.,

Plaintiffs-Appellants,

v.

THE CAMBRIDGE WIRE CLOTH COMPANY,

Defendant-Appellee.

ORDER

Before NEWMAN, Circuit Judge, MAYER, Circuit Judge, and CLEVENGER, Circuit Judge.

ORDER

A petition for rehearing having been filed in this case, and a response thereto having been invited by the court and filed,

UPON CONSIDERATION THEREOF, it is

ORDERED that the petition for rehearing be, and the same hereby is, denied.

The suggestion for rehearing in banc is under consideration.

The mandate will issue on April 1, 1992.

FOR THE COURT,

Francis X. Gindhart
Clerk

Dated: March 25, 1992

cc: TIMOTHY J. MALLOY
G. FRANKLIN ROTHWELL

LAITRAM CORP. V. CAMBRIDGE WIRE, 91-1288
(DCT - S-89-756)

* *

Note: Pursuant to Fed. Cir. R. 47.8, this order is not citable as precedent. It is a public record.

* *

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

91-1288

THE LAITRAM CORPORATION and
INTRALOX, INC.,

Plaintiffs-Appellants,

v.

THE CAMBRIDGE WIRE CLOTH COMPANY,

Defendant-Appellee.

ORDER

ORDER

A suggestion for rehearing in banc having been filed in this case, and a response thereto having been invited by the court and filed,

UPON CONSIDERATION THEREOF, it is

ORDERED that the suggestion for rehearing in banc be, and the same hereby is, declined.

FOR THE COURT,

Francis X. Gindhart
Clerk

Dated: April 6, 1992

cc: TIMOTHY J. MALLOY
G. FRANKLIN ROTHWELL

LAITRAM CORP. V. CAMBRIDGE WIRE, 91-1288
(DCT - S-89-756)

* *

Note: Pursuant to Fed. Cir. R. 47.8, this order is not citable as precedent. It is a public record.

* *

Supreme Court, U.S.
FILED
JUL 27 1992
OFFICE OF THE CLERK

No. 91-2068

IN THE

Supreme Court of the United States

OCTOBER TERM, 1992

THE LAITRAM CORPORATION
and INTRALOX, INC.,

Petitioners,

v.

THE CAMBRIDGE WIRE CLOTH COMPANY,

Respondent.

Petition For Writ Of Certiorari To The United States Court Of Appeals For The Federal Circuit

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BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR WRIT OF CERTIORARI

G. FRANKLIN ROTHWELL*
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COUNTERSTATEMENT OF THE QUESTIONS PRESENTED FOR REVIEW

Did the United States Court of Appeals for the Federal Circuit improperly affirm the District Court's Summary Judgment Order (reinstating the District Court's prior summary judgment on the issue of non-infringement) after determining that subject matter jurisdiction existed.

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No. 91-2068

IN THE SUPREME COURT OF THE UNITED STATES

OCTOBER TERM, 1992

THE LAITRAM CORPORATION and
INTRALOX, INC.,

Petitioners,

v.

THE CAMBRIDGE WIRE CLOTH COMPANY,

Respondent.

BRIEF FOR RESPONDENT IN OPPOSITION TO PETITION FOR A WRIT OF CERTIORARI

COUNTERSTATEMENT OF THE CASE

The statement of the case presented by Petitioners, The Laitram Corporation and Intralox, Inc. (hereinafter collectively "Laitram"), is a rendition of the factual history of the case which is intertwined with argument and which omits various key facts. Therefore, Respondent, The Cambridge Wire Cloth Company[1] (hereinafter "CWC"), presents the following counterstatement of the case.

This is a patent infringement case in which a variety of custom-assembled, modular conveyor belts, marketed by CWC under the general designation CRB-3000,

---

[1] Respondent has no parent companies or subsidiaries in accordance with the understood meaning of Rule 29.1.

were charged by Laitram with infringement of certain of Laitram's patents.

On November 1, 1989, the U.S. District Court for the District of Maryland granted CWC's motion for summary judgment of non-infringement and entered judgment against Laitram (Pet. App. 24a).[2] This judgment was supported by a memorandum opinion (Pet. App. 25a-31a) in which the District Court specifically recognized that certain features or characteristics of the accused CRB-3000 belts did not infringe the patents in issue (Pet. App. 26a-27a; Pet. App. 29a-30a). The District Court made this determination based upon comparing the claims at issue with characteristics common to all the CRB-3000 belts. Id.

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[2] The Appendix to Laitram's Petition for a Writ of Certiorari is referred to herein by page as "Pet. App. __."

Laitram appealed the District Court's November 1, 1989 Order, and the United States Court of Appeals for the Federal Circuit vacated the summary judgment because it was believed that there was a possibility that no accused product existed at the time the complaint was filed (Pet. App. 16a). The Federal Circuit, therefore, remanded the case to determine whether subject matter jurisdiction existed (Pet. App. 18a), and the District Court held an evidentiary hearing directed to this question on February 11, 1991 (Pet. App. 21a-23a).

Being cognizant of the fact that the accused CRB-3000 belts were custom-made and can take various configurations, the District Court found that PX-1 (which was before the District Court at the hearing on remand) was "an exemplar of what could be constructed out of the design that is

charged as the infringing design" (Pet. App. 35a).

The District Court then found that PX-1 was made and offered for sale as of March 15, 1989 (the date the complaint was filed), and that such was sufficient to provide subject matter jurisdiction (Pet. App. 35a).

At the February 11, 1991 hearing on remand, Laitram's counsel argued that summary judgment should not be entered "with regard to products that we have never even accused" (Pet. App. 43a). The District Court, however, stated that its judgment was entered with regard "to the entire complaint" (Pet. App. 22a) (emphasis original). ("A summary judgment goes to the entire complaint" (Pet. App. 43a)). That is, the complaint did not accuse any specific or particular modular assembly of a CRB-3000 belt, but

only alleged that CWC was infringing "by making, using, or selling conveyor belts or modules, namely, its CRB 3000 modular plastic belts" (Resp. App. 4a, 5a-6a[3]; emphasis added).

The District Court, having found that PX-1 (which existed at the time the complaint was filed) was an exemplar of the allegedly infringing CRB-3000 belts and that therefore subject matter jurisdiction existed, saw "no reason to take away defendant's victory on the merits by re-opening the case for further summary judgment proceedings or trial" (Pet. App. 22a). The District Court, therefore, entered summary judgment on remand "on the reasoning of this Court's

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[3] The supplemental Appendix following Respondent's Brief is referred to herein by page as "Resp. App. ___."

[the District Court's] prior summary judgment opinion" (Pet. App. 23a).

Laitram appealed the District Court's entry of summary judgment, but specifically chose to avoid appealing the merits of the summary judgment, notwithstanding the fact that the District Court specifically entered summary judgment on the merits in favor of CWC. In fact, Laitram's grounds for appeal was set forth as a single issue: "Whether the District Court erred as a matter of law in granting summary judgment of non-infringement without comparing the claims at issue to the accused product." (Resp. App. 18a).

In its February 11, 1991, Memorandum Opinion, the District Court specifically indicated that it was reinstating its judgment on the merits:

> Now that this Court has answered the question [of whether subject matter jurisdiction was present] in the affirmative, it will reinstate the judgment on the merits heretofore rendered for the defendant, on the defendant's earlier motion for summary judgment.

Pet. App. 22a.

During the remand hearing, The District Court had specifically put Laitram on notice as to its reasoning, stating:

> The merits were fully reached earlier. That is the law of the case, and there you have it. If the Federal Circuit thinks, in the interest of justice, that that grant of summary judgment was based on some faulty premise, they can vacate it and send it back and we will try it.

Pet. App. 44a.

Upon entry of the District Court's Order, judgment on the merits had unquestionably been entered (Pet. App. 19a and 20a) and Laitram had an opportunity to (but chose not to) present

the merits of the summary judgment in its appeal.

The Federal Circuit affirmed the District Court's grant of summary judgment (Pet. App. 2a) and, after noting that Laitram had not appealed the merits of the District Court's summary judgment ("Laitram provides this Court with no basis to further review the merits of the summary judgment"), left that judgment intact (Pet. App. 4a).

Laitram requested reconsideration of the Federal Court's decision and suggested rehearing in banc, arguing many of the same points raised in this petition. After considering the briefs of both parties, the Federal Circuit declined to rehear the appeal and denied the suggested rehearing in banc (Pet. App. 46a-49a).

REASONS FOR DENYING LAITRAM'S PETITION FOR A WRIT OF CERTIORARI

Laitram's Petition for a Writ of Certiorari to the United States Court of Appeals for the Federal Circuit ("Laitram's Petition") should be denied because Laitram is merely complaining about its own choice as to what to appeal. Laitram's Petition meets none of the considerations which would favor granting a writ of certiorari as set forth in Rule 10 of the Supreme Court Rules. That is, Laitram presents no questions of special importance; has not alleged any conflict as between the Circuits, nor any departure from the accepted and usual course of judicial proceedings; and has not presented any question of federal law which needs to be settled by this Court. Laitram is merely using its last procedural avenue to

attempt to undo that which Laitram itself deliberately chose to do.

The basis of Laitram's Petition appears to be its allegation that it never had an opportunity to argue or appeal the merits of the District Court's summary judgment grant. However, there can be no question that Laitram was specifically on notice that the District Court entered summary judgment on the merits (see Pet. App. 22a; 44a). Laitram's choice not to argue the merits in its appeal was its own choice and certainly that failure presents no question which this Honorable Court needs to determine.

CWC addresses each of Laitram's specific proffered reasons for granting Laitram's Petition by the Roman numerals corresponding to those used by Laitram in its Petition.

I. The Federal Court's Alleged "Misapplication of Rule 56(c) Involving Hypothetical Facts"

A. This Issue Is Raised for the First Time in this Petition

Laitram should not be permitted to raise the issue of the Federal Court's alleged misapplication of Fed. R. Civ. P. 56(c) involving hypothetical facts because Laitram failed to raise that issue on appeal before the Federal Circuit.

More specifically, Laitram's first proffered reason for granting its Petition is based on the allegation that the District Court deprived Laitram of the procedural safeguards of Fed. R. Civ. P. 56(c) (Laitram's Petition at 8). As is apparent from Laitram's Statement of The Issues and Summary of the Argument contained in its Brief filed with the Court of Appeals for the Federal Circuit

(Resp. App. 18a-19a), Laitram failed to raise this issue on appeal below and is thus precluded from doing so before this Honorable Court. See Dickinson v. Petroleum Conversion Corp., 338 U.S. 507, 516 (1949).

B. Laitram Was Not Denied The Opportunity to Present Evidence Under Fed. R. Civ. P. 56(c)

In addition to Laitram's failure to raise the issue of the District Court's allegedly depriving Laitram of the opportunity to present evidence under Fed. R. Civ. P. 56(c), Laitram's reasoning is misplaced as to the basis of this allegation. Laitram had the opportunity to, and, in fact, did, present evidence of alleged infringement by the accused products, the CRB-3000 belts, during the initial summary judgment proceedings before the District

Court. Quite simply, however, throughout the appeals process, and before this Court in its Petition, Laitram has failed to come to grips with the fact that the accused products are custom-assembled belts constructed from four to six different modules (see Resp. App. 10a). These custom-assembled belts are of modular form and may be of varying lengths and widths and are known collectively as CRB-3000 belts (see Pet. App. 21a-22a; 26a-27a; 29a and Resp. App. at 10a-17a and 22a-24a).

In its original summary judgment opinion (November 1, 1989), the District Court found that products with the characteristics of the CRB-3000 did not infringe. Specifically, the District Court stated:

> The Court has no hesitation in concluding as a matter of law that the challenged product (CWC's CRB-

> 3000 belt) does not literally infringe either claim 19 of the '141 patent or claim 21 of the '949 patent.

Pet. App. 26a.

The District Court then considered the doctrine of equivalents and stated:

> [N]o reasonable trier of fact could conclude, on this record, that the CRB-3000 performs substantially the same function in substantially the same way to produce substantially the same result as the Laitram-patented belts.

Pet. App. 30a.

The Federal Circuit vacated and remanded on the basis of a suspected absence of any showing that at least one of the various CRB-3000 belts actually existed (thereby resulting in a lack of showing that the District Court had subject matter jurisdiction). At the remand hearing, the District Court focused its attention on that narrow issue (as directed by the Federal

Circuit) and found that a CRB-3000 belt in fact existed at the time the complaint was filed in the form of an exemplar of the various CRB-3000 belts, namely, PX-1 (Pet. App. 35a).

During the first summary judgment proceedings, Laitram clearly had an opportunity to present evidence and did present evidence as to the merits of alleged infringement by the accused device, namely, the CRB-3000 belts. The reason that the Federal Circuit found that the original grant of summary judgment was improperly based on "hypothetical facts" was that it had not been established that a CRB-3000 belt had been made at the time of filing the complaint.[4] Once that determination was

---

[4] The Federal Circuit, in its first decision of November 21, 1990 (Pet. App. 6a), focused on demonstrative exhibits of

(continued...)

made, the only missing piece of the puzzle was in place and the District Court's analysis of non-infringement (based on evidence presented by both sides) was complete.

II. The Court of Appeals Did Not Misapply Rule 52(a) and Did Not Engage in Fact Finding

Laitram's assertion that the Federal Circuit engaged in improper fact finding is incorrect. The Federal Circuit's reliance on clear logic is not improper fact finding.

The focus of Laitram's argument here is the Federal Circuit's reasoning that "Necessarily, the [District Court's] comparisons of the CRB-3000 to the claims at issue encompass PX-1, as PX-1 is an 'exemplar,' i.e., a typical example, of

---

[4](...continued)
belts which had not been made at the time the suit was filed (Pet. App. 8a-10a).

the accused design." Laitram's Petition at 12 (citing Pet. App. 4a). Clearly, the fact that PX-1 was an exemplar of the CRB-3000 belts was a finding of fact made by the District Court on remand, and the design of the CRB-3000 belts had been compared to the patent claims in the District Court's prior November 1, 1989 decision (Pet. App. 26a-27a; 29a-30a).

During the remand hearing, the District Court went to great lengths to establish that PX-1 was a CRB-3000, questioning the witness as follows:

> THE COURT: What is the relationship between what you have just described as CRB 3000 and that thing that is sitting in front of you, that gray thing, Plaintiffs' Exhibit 1 [PX-1] I think it is?
>
> THE WITNESS: That would be the exact thing, your Honor. This one has five modules -- five types of modules, because it includes the internal module, and that is exactly what I described.

THE COURT: So, that is the CRB 3000.

THE WITNESS: Yes, Your Honor.

THE COURT: Okay. And it did exist as of March 15th of 1989; is that correct?

THE WITNESS: Yes, it did.

Resp. App. 23a-24a.

The Federal Circuit, in its February 6, 1992 decision, after correctly observing that the District Court was no stranger to the parties or the subject patents (Pet. App. 3a-4a), found that:

> As stated in the original complaint, the accused product in this suit is the CRB-3000 modular plastic belt. In the memorandum accompanying the original grant of summary judgment, the district court made numerous comparisons of the accused CRB-3000 design to the claims at issue and determined that the accused design does not infringe the claims, either literally or under the doctrine of equivalents. Necessarily, the comparisons of the CRB-3000 to the claims at issue encompass PX-1, as PX-1 is an "exemplar," i.e., a typical example, of the accused design.

Pet. App. 4a.

This logical legal conclusion was not fact finding by the Federal Circuit. The District Court found that PX-1 was an exemplar of the accused CRB-3000 belts and that PX-1 existed at the time of the original complaint. The Federal Circuit correctly made the legal conclusion, from the District Court's fact finding, that the District Court's comparison of the claims to the accused products, the CRB-3000 belts, necessarily encompassed a comparison of the claims to PX-1 since the District Court found PX-1 to be a typical example of the accused CRB-3000 product design.

III. The Federal Circuit's Decision Does Not Conflict with Well-Established Precedent of the Federal Circuit

Here, Laitram mischaracterizes the District Court's February 11, 1989

decision. Laitram neglects to focus on the fact that the District Court's grant of summary judgment was based on the merits as determined in the original summary judgment proceedings coupled with the remand finding that PX-1 was an exemplar of the CRB-3000 belts which the Court had previously found to be of non-infringing design. In essence, Laitram argues that a comparison of the patent claims to the accused products was never made. This is not correct.

More particularly, Laitram asserts that the Federal Circuit improperly applied precedent in affirming the District Court's decision based upon "[a] comparison of nonaccused 'possible constructions' to the claims and followed by the subsequent comparison of the accused products to the nonaccused 'possible constructions.'" Laitram's

Petition at 14-15. In point of fact, the Federal Circuit's February 6, 1992 decision (from which this appeal is taken) is premised on the District Court's comparison of the claims at issue to the accused design of the CRB-3000 belts during the original summary judgment proceedings and the District Court's later finding that PX-1 was an exemplar of the accused design. That is, the accused product was the CRB-3000 belts which are capable of various physical sizes and shapes, all made with four to six different modules having certain common design characteristics.

The Federal Circuit correctly recognized that there is no legal requirement that the claims be compared to one exemplary physical representation of an accused product or that the accused product be in evidence at the time the

comparison is made, as long as a comparison is made of the claims to the accused product (the CRB-3000 belts), and as long as there was an accused product in existence at the time the complaint was filed. In this regard, the Federal Circuit held:

> [T]he fact that no actual product accused of infringement was admitted into evidence at the time of the original summary judgment does not, in itself, demonstrate legal error. While an actual accused product may be of significant evidentiary value on the issue of infringement, there is no evidentiary requirement that an accused product be admitted into evidence prior to a grant of summary judgment. What is required is that, based on evidence of record of whatever form, no genuine issue of material fact exists as to whether the accused product infringes the subject claims.

Pet. App. 4a.

In sum, the District Court compared the design of the accused CRB-3000 belts to the claims. The only issue taken with

the original District Court decision was the District Court's failure to find that there was in fact a CRB-3000 belt made, used or sold at the time of the filing of the complaint. The District Court made this finding at the remand hearing reinstating its original summary judgment, and the Federal Circuit correctly affirmed the District Court's decision after a well-reasoned analysis of the facts of record and the law.

IV. Laitram Was Not Denied Due Process

There is no question but that Laitram had the opportunity for appellate review of the merits of the District Court's grant of summary judgment of non-infringement. Laitram simply chose not to obtain such appellate review and instead avoided arguing the merits of the District Court's judgment. As discussed

above, there is no question but that Laitram was specifically put on notice that the District Court's ruling was on the merits. Laitram specifically admits that it "deliberately avoided the merits regarding infringement." Laitram's Petition at 15 (emphasis original). The fact that Laitram itself chose not to appeal the merits, does not mean that Laitram was denied due process.

Laitram's reason for deliberately avoiding the merits regarding infringement, is that "[u]nder the threat of sanctions from the first appeal and the law of the case, Laitram had no merits to appeal in the present case." Laitram's Petition at 16. Laitram further states, "There were no findings of noninfringement related to an actual product (PX-1) charged with

infringement." Id. Laitram's reasoning is incorrect.

First, even if Laitram perceived that there was a "threat of sanctions," such did not mean that there were no merits to appeal. The District Court made it abundantly clear that its ruling was a ruling on the merits which the Federal Circuit could review. Laitram merely imposed its view of the case (that there was no ruling on the merits) in lieu of the clear statement to the contrary by the District Court and decided to ignore the District Court's clear statement that its decision was on the merits.

Moreover, as to the purported "threat of sanctions" if Laitram did appeal, Laitram's interpretation of the Federal Circuit's prior decision is illogical and fails to recognize the basic fact that, on remand, the District Court found that

an accused product existed at the time the complaint was filed and thereby remedied the very defect which the Federal Circuit found in the prior appeal. Laitram's assertion that "[t]here were no findings of noninfringement of an actual product (PX-1) charged with infringement," flies in the face of the District Court's February 11, 1991 decision which unequivocally applied its prior November 1, 1989 decision to the accused products, the CRB-3000 belts, in the form of the PX-1 exemplar of a CRB-3000 belt.

Laitram asserts that during the appeal, it "would have been required to raise argument 'directed to products never charged as infringements' and 'about a product (PX-1) that was admittedly not before the district court' when the opinion issued." See Laitram's

Petition at 16. To the contrary, however, after the District Court's February 11, 1991 Order was entered, Laitram's arguments on appeal would have been directed to the CRB-3000 belts, of which PX-1 was an exemplar, and which the District Court specifically found was in existence at the time the complaint was filed.

Due process requires a meaningful opportunity to be heard. Boddie v. Connecticut, 401 U.S. 371, 378 (1971). It does not require that a party avail itself of that opportunity. Id. In fact, a deliberate decision not to appeal an issue which could have been appealed forfeits the right to appeal. See Dickinson, 338 U.S. at 516. Here, Laitram simply forfeited its right to appeal the merits by deliberately failing to address the merits of the District

Court's decision of February 11, 1991 (which incorporated the District Court's November 1, 1989 decision regarding the non-infringement of the CRB-3000 belts) in its appeal of that February 11, 1991 decision.

V. Laitram Had the Opportunity to Attempt to Establish the Existence of a Genuine Issue of Material Fact as to Whether the Accused Design Is Infringing

Here, Laitram focuses on the wrong issue in stating that there is a genuine issue of material fact as to whether PX-1 is representative of the products depicted in DX-A through DX-D. The proper inquiry which the District Court did undertake is whether PX-1 is a CRB-3000 belt which was accused of infringement (the District Court having previously found that the design of the accused CRB-3000 belts does not

infringe). As discussed above, a key fact in this case is that the accused CRB-3000 belts are custom-made and assembled from a number of different modules. Therefore, it was necessary for the District Court to determine whether the design of the belts constructed from these different modules was non-infringing. This is what the District Court did in its original decision in finding that the CRB-3000 belts have identifiable characteristics as to their design and thus do not infringe.

In the subsequent evidentiary hearing on remand, the District Court found that PX-1 was an exemplar of the non-infringing CRB-3000 and that such was in existence as of the filing date of the complaint, thereby establishing subject matter jurisdiction. In the District Court's Memorandum Opinion, the Court

found that it had already obtained sufficient evidence to hold that CRB-3000 belts did not infringe and that PX-1 was an exemplar of the non-infringing belt which was in existence at the time the complaint was filed. The District Court and the Federal Circuit correctly recognized that the complaint accused the CRB-3000 belts of infringement (not particular demonstrative exhibits DX-A through DX-D or even PX-1), and the District Court granted summary judgment as to the entire complaint. If Laitram disagreed with the District Court's non-infringement analysis, it should have argued the merits of the District Court's determination of non-infringement of the CRB-3000 belts on appeal, as there is no question but that the merits were ripe for appeal. Instead, Laitram deliberately declined to do so.

There is certainly no denial of due process in Laitram's choice not to appeal on the merits.

CONCLUSION

For the foregoing reasons, it is clear that Laitram raises no issue which requires determination by this Honorable Court. It is also clear that the Court of Appeal's decision is not erroneous. The District Court granted summary judgment on the basis of a comparison of an accused product, CRB-3000 belts, to the patent claims and subsequently found that an accused product existed at the time the complaint was filed (thus establishing subject matter jurisdiction). Far from being denied an opportunity to present evidence on the merits of infringement, such evidence was taken during the initial hearing on summary judgment. Laitram simply chose

not to appeal the decision on the merits and Laitram's own decision in that regard is not appropriate subject matter to bring before this Court. The Petition should be denied.

Respectfully submitted,

this 27th day of July, 1992.

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CERTIFICATE OF SERVICE

I hereby certify pursuant to Rule 29.3, that three true and correct copies of Brief for Respondent in Opposition to Petition for Writ of Certiorari were served by first-class mail, postage prepaid, on the following counsel for Petitioners:

Timothy J. Malloy, Esquire
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this 27th day of July, 1992.

Raymond A. Kurz, Esq.

RESPONDENT'S

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

THE LAITRAM CORPORATION AND INTRALOX, INC. both Louisiana Corporations of 220 Laitram Lane Harahan, Louisiana 70123 Plaintiffs, v. THE CAMBRIDGE WIRE CLOTH COMPANY a Maryland Corporation P.O. Box 399 Cambridge, Maryland 21613 SERVE ON: Edward N. Evans 105 Goodwill Road Cambridge, Maryland 21613 Defendant.	Civil Action No. _____ COMPLAINT REQUEST FOR JURY

ALLEGATIONS COMMON TO ALL CLAIMS

A. Jurisdiction

1. This is a civil action for patent infringement arising under the

Patent Laws of the United States, and more particularly, under Title 35 U.S.C. §§271, 281. This Court has jurisdiction under Title 28 U.S.C. §1338(a), and venue is proper pursuant to 28 U.S.C. §1400(b).

B. The Parties

2(a). Plaintiff, THE LAITRAM CORPORATION, is a corporation organized and existing under the laws of the State of Louisiana, having a regular and established place of business at 220 Laitram Lane, Harahan, Louisiana 70123.

2(b). Plaintiff, INTRALOX, INC., is a corporation organized and existing under the laws of the State of Louisiana, having a regular and established place of business at 220 Laitram Lane, Harahan, Louisiana 70123, and is a wholly-owned subsidiary of The Laitram Corporation.

2(c). THE LAITRAM CORPORATION and Intralox, Inc. are hereinafter referred to jointly as "Plaintiffs."

3. Defendant, THE CAMBRIDGE WIRE CLOTH COMPANY (hereinafter "CWC"), is a corporation organized and existing under the laws of the State of Maryland, with a regular and established place of business at 105 Goodwill Road, Cambridge, Maryland 21613.

COUNT I

4. The allegations of paragraphs 1 through 3 are incorporated herein by reference.

5. THE LAITRAM CORPORATION is the owner, by assignment, of the entire undivided right, title, and interest in and to United States Patent No. 3,870,141, entitled "Modular Belt," which issued on March 11, 1975. Intralox, Inc. is the exclusive licensee of said patent.

6. Intralox, Inc. is the exclusive licensee of THE LAITRAM CORPORATION under U.S. Patent 3,870,141.

7. Defendant, CWC, has been, and still is, infringing U.S. Patent No 3,870,141, and is inducing and contributing to the infringement thereof by others, by making, using, or selling conveyor belts or modules, namely, its CRB 3000 modular plastic belts, embodying the patented invention, and will continue to do so unless enjoined by this Court.

8. Said acts of infringement have been willfully committed both within this judicial district and elsewhere.

9. As a result of the aforementioned actions of defendant, plaintiffs have been and continue to be damaged.

COUNT II

10. The allegations of paragraphs 1 through 9 are incorporated herein by reference.

11. THE LAITRAM CORPORATION is the owner, by assignment, of the entire undivided right, title and interest in and to United States Patent No. 4,051,949, entitled "Conveyor System," which issued on October 4, 1977. Intralox, Inc. is the exclusive licensee of said patent.

12. Intralox, Inc., is the exclusive licensee of THE LAITRAM CORPORATION under U.S. Patent No. 4,051,949.

13. Defendant, CWC has been, and still is, infringing U.S. Patent No. 4,051,949, and is inducing and contributing to the infringement thereof by others, by making, using or selling

conveyor belts or modules, namely, its CRB 3000 modular plastic belts, embodying the patented invention, and will continue to do so unless enjoined by this Court.

14. Said acts of infringement have been willfully committed both within this judicial district and elsewhere.

15. As a result of the aforementioned actions of defendant, plaintiffs have been and continue to be damaged.

WHEREFORE, plaintiffs pray:

A. That the Court preliminarily and permanently enjoin CWC, its subsidiaries, agents, servants, and employees from infringing United States Patent Nos. 3,870,141, and 4,051,949, and, more particularly, from the manufacture, use and sale of CWC's CRB 3000 modular plastic belt;

B. That the plaintiffs be awarded judgment against the defendant for damages, for an accounting, for treble damages in accordance with 35 U.S.C. §284, and for reasonable attorneys' fees in accordance with the provisions of 35 U.C.S. §285; and

C. For interest, costs, and such other and further relief as may be just and proper.

DATE:_____ By_____

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UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

THE LAITRAM CORPORATION) and INTRALOX, INC. Plaintiffs, v. THE CAMBRIDGE WIRE CLOTH COMPANY, Defendant.	Civil Action No. S-89-756

DECLARATION OF PETER K. BAILEY IN SUPPORT OF DEFENDANT'S MOTION FOR SUMMARY JUDGMENT

I, Peter K. Bailey, hereby declare and state as follows:

1. I am Vice President of Manufacturing and Engineering of the Cambridge Wire Cloth Company (CWC).

2. As Vice President of Manufacturing and Engineering, I am aware of the design and manufacture of the plastic modular conveyor belt presently

marketed by CWC as the CRB-3000, which is the asserted infringing product.

3. The parties are no strangers to litigation, having been involved in two previous lawsuits concerning plastic modular conveyor belts.

4. During the Cam Clean II litigation and prior to the trial, CWC had been engaged in designing a new plastic modular conveyor belt. The new design was generated both out of concern that the Cam Clean II was an inferior product from the standpoint of strength and to further insure the avoidance of infringement of Plaintiff's patents with a superior strength redesigned product.

5. CWC followed specific teachings of the prior art, as interpreted during previous litigations, to avoid designing an infringing device.

6. The CRB-3000 is a non-reversible conveyor belt which is constructed from at least four and up to six different types of load bearing members or units. Each of these different types of units has a multiplicity of link ends and an integrally formed intermediate structure joining the link ends.

7. CWC does not manufacture and has never manufactured any CRB-3000 product which is constructed solely from one type of member or unit.

8. Each side of each unit of the CRB-3000 has unequal width link ends. Not only are these link ends of unequal width with respect to other link ends on the same side of the unit, but no link end on one side of a unit is of the same width as any link end on the other side of that unit.

9. The space between different pairs of link ends differs. The space between certain pairs of link ends is less than the width of a link end. The space between other pairs of link ends is greater than two times the width of a link end.

10. None of the units used in the CRB-3000 is end-to-end reversible. The edge units are specifically designed to be used on a particular edge of the belt. Each belt uses at least a small edge unit on the right hand side of the belt, a small edge unit on the left hand side of the belt, a larger edge unit on the right hand side of the belt and a larger edge unit on the left hand side of the belt. None of these edge units are interchangeable from one side of the belt to the other and the units for each side require different molds.

11. The small edge units have a single link end on one side. These units cannot be cut to obtain useful fractional links. The large edge units have unequal width link ends and cannot randomly be cut between any pair of link ends to provide a useable fractional unit, but must be cut, if at all, at only a single specific point.

12. All of the edge units have been designed to contain a patent pending rod-retention system which holds the pivot rods in place.

13. Assembly of the CRB-3000 belts requires the separate handling of the left edge pieces from the right edge pieces. Each unit, including the interior units, must be properly oriented prior to linking the units together with a pivot rod. The need for proper

orientation is caused by the unlike widths of the link ends on each unit.

14. The minimum width of a CRB-3000 belt is 6". A 6" belt is constructed only from edge units. Belts of increased width are constructed with the use of internal units, in addition to the edge units. The internal units do not have a rod retention system and are capable of being used only on the interior of the belt. The internal units cannot be randomly cut between any pair of link ends to provide a useful fractional unit, but must be cut, if at all, at only a single specific point.

15. Like the Malard reference, CRB-3000 products which are constructed from more than five types of units have seams traversing two rows of connected modules in the direction of travel of the belt. Also, as shown in Malard's Figure 9, CRB-

3000 belts which are constructed from five units do not have such seams.

16. None of the units of the CRB-3000 have elongated vanes which are of different heights from other vanes on the same unit.

17. When assembled, the vanes of the units of the CRB-3000 are not staggered across the pivot axis at the surface of the belt. The CRB-3000 has a continuous seam or gap which runs across the belt in a direction transverse to the direction of travel of the belt.

18. In determining a suitably sized gap, CWC measured the gap shown in the drawing of the Perkins' patent and determined its proportions compared with the width of the adjacent units. CWC then proportionally designed the gap of the CRB-3000 with respect to the width of the adjacent CRB-3000 units.

19. The CRB-3000 specifically is designed not to be used interchangeably as a replacement part for either the Cam Clean I or Cam Clean II conveyor belts. The CRB-3000 cannot be used as a replacement part for either of those belts.

20. The CRB-3000 is designed to be used with the same comb and sprocket as the Cam Clean I and II devices. Thus, there is a superficial resemblance between the CRB-3000 and the Cam Clean I and II.

21. Exhibits A-D are physical samples of four different types of CRB-3000 belts.

22. Exhibit A, attached hereto is a sample of a CRB-3000 conveyor belt constructed solely from the four types of edge units.

23. Exhibit B, attached hereto is a sample of a CRB-3000 constructed from four types of edge units and one type of internal unit.

24. Exhibit C, attached hereto is a variation of a CRB-3000 belt having four types of end units and two types of internal units. Two 3" units are randomly inserted into the belt and disposed adjacent to each other resulting in a seam that traverses three pitches of the belt.

25. Exhibit D, attached hereto is a variation of a belt using four types of edge units and two types of internal units. This belt has a single 3" segment inserted randomly in the belt resulting in a seam that traverses two pitches of the belt.

26. Exhibits A'-D' are photographs of Exhibits A-D respectively and are attached hereto.

27. The CRB-3000 belt cannot be constructed to any desired width. The belts must be constructed in 3" increments, and 6" is the minimum width for a CRB-3000 belt.

I declare under the penalty of perjury that the foregoing is true and correct.

Signed on September 8, 1989 in Cambridge, Maryland:

_____

PETER K. BAILEY

UNITED STATES COURT OF APPEALS
FOR THE FEDERAL CIRCUIT

Appeal No. 91-1288

THE LAITRAM CORPORATION AND
INTRALOX, INC.,

Plaintiffs-Appellants,

v.

THE CAMBRIDGE WIRE CLOTH COMPANY,

Defendant-Appellee.

BRIEF FOR PLAINTIFFS-APPELLANTS

STATEMENT OF THE ISSUES

Whether the District Court erred as a matter of law in granting summary judgment of non-infringement without comparing the claims at issue to the accused product.

[page 6]

SUMMARY OF THE ARGUMENT

A determination of infringement requires a comparison of the accused product to the claims. Envirotech Corp. v. Al George, Inc., 730 F.2d 753, 758, 221 USPQ 473, 477 (Fed. Cir. 1984). The accused product is PX-1. To date, the District Court has never compared the claims to the accused product (PX-1) and has made no finding with regard to the accused product and the patent claims.

The District Court, having now found that the accused product PX-1 was in existence, is required by this Court's order to proceed with respect to PX-1. The District Court cannot ignore this Honorable Court's mandate, ignore the accused product (PX-1), and reinstate its prior vacated summary judgment decision

which was based on non-accused hypothetical products.

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF MARYLAND

THE LAITRAM CORPORATION)
and Intralox, Inc.)
vs.) No. S-89-756 CIVIL
THE CAMBRIDGE WIRE CLOTH COMPANY)

FEBRUARY 11, 1991

BALTIMORE, MARYLAND

The above entitled case came on for hearing before the Honorable Frederic N. Smalkin at 10 a.m.

A P P E A R A N C E S

FOR THE PLAINTIFFS:

Thomas D. Washburne, Esq.
Paul J. Hayes, Esq.
Victor B. Lebovici, Esq.

FOR THE DEFENDANT:

G. Franklin Rothwell, Esq.
William T. Enos, Esq.

* * * * *

[page 18]

Witness now wants to redefine as the product. That is the problem we had in the previous situation. I really would like to try to avoid the area.

THE COURT: No, we are not going to avoid it, because it is the direct question that is at issue. Overruled. Go ahead.

THE WITNESS: The CRB 3000 belt at the time the Complaint was filed was our -- what we referred to as a closed rib or raised rib design that was made of four or five different types of modules.

BY MR. ROTHWELL:

Q: What were these four or five different types of modules?

A: Well, there were small and large edge modules, both left-hand and right-hand, which were not interchangeable,

molded differently. So, those were four different modules.

The fifth module was what we call the internal module, which would be added into the belt depending on the width desired.

Q: When did you first begin designing the CRB 3000?

A: We began in the --

THE COURT: Well, hold on. I have got to stop here for a minute, before I get thoroughly confused.

What is the relationship between what you have just described as CRB 3000 and that thing that is sitting in *[page 19]* front of you, that gray thing, Plaintiffs' Exhibit 1, I think it is?

THE WITNESS: That would be the exact thing, Your Honor. This one has five modules -- five types of modules, because

it includes the internal module, and that is exactly what I described.

THE COURT: So, that is the CRB 3000.

THE WITNESS: Yes, Your Honor.

THE COURT: Okay. And it did exist as of March 15th of '89; is that correct?

THE WITNESS: Yes, it did.

THE COURT: All right. Go ahead.

BY MR. ROTHWELL:

Q: Would you outline the history from beginning of the design of the CRB 3000 to the making of the first one?

A: Well, the design began in '87; the tooling, as I recall, was ordered in mid-'88 and finished in November of '89, at which time we molded belts and tested them.

THE COURT: November of '89?

BY MR. ROTHWELL:

Q: '89? Did you mean '88?

A: November of '88. I am sorry.

THE COURT: All right. Go ahead.

THE WITNESS: These belts were tested in November and December of '88; and, in December of '88, the design was ***[page 20]*** modified to include the gap over the pivot rod, and modules of that design were made and tested in December and January and tooling, final tooling ordered for the gap design in January of 1989.

Q: Was there a show in late January, 1989?

A: Yes, there was.

Q: And was the CRB 3000 belt involved in any way in that show?

A: Yes, it was.

Actually, at the show, we had both the original design and the modified gap design; and, we also had the brochure which had been made for circulation to potential customers, and that depicted

only the gap design. The gap design being the final CRB 3000 design.

THE COURT: And that is what you see in 1.

THE WITNESS: Yes, Your Honor.

THE COURT: Plaintiffs' 1.

BY MR. ROTHWELL:

Q: With regard to any belts of the CRB 3000 which were made prior to March 15, 1989, can you describe the configuration of those belts vis-a-vis the five different modules?

MR. HAYES: Objection. Your Honor, it was testified that the only belt made prior to March 15, 1989 is PX-1, and the configuration speaks for itself right in front *[page 21]* of you.

THE COURT: Well, number one, I don't know if any belts were made before

that -- that was the previous question -- other than the one sitting there, or any other --

Except for that sample that is physically embodied in PX-1, what if any other products conforming to the CRB 3000 modified gap design were in existence, Mr. Bailey, on March 15th, '89?

A: There were more belts made, Your Honor, in limited quantity, because the gap had to be hand cut; but, there was a larger sample belt at the show and there also -- there is also a nine inch wide belt depicted in our brochure which had been made and photographed prior to -- for the show and prior to the Complaint.

THE COURT: Go ahead.

MR. ROTHWELL: I would like to show you Defendant's Exhibit 2, which is a brochure.

THE CLERK: Exhibit 2 marked for identification.

BY MR. ROTHWELL:

Q: Can you identified Exhibit 2?

A: Yes. That is the brochure that was made for distribution at the January, February show in 1989.

Q: Does that contain a depiction of any belt that was made as of that date?